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Torn by Grief, Israel Pledges To Press On in Search for Peace

By Alan Cowell
New York Times Service

JERUSALEM — After the wrenching grief of Yitzhak Rabin's funeral and amid much lingering sorrow, both Israel and the Palestine Liberation Organization pledged Tuesday to continue with the moves toward peace that cost Mr. Rabin his life and still breed extremism across the region.

One day after Mr. Rabin's burial, Israelis continued to converge on his grave at Mount Herzl Cemetery under gray and sometimes showery skies. Others lit candles outside his home and in the Tel Aviv square where he was shot Saturday night by a 25-year-old Israeli law student who told prosecutors he acted to protest the creation of a Palestinian state.

But, with Jerusalem suddenly emptied of the array of world leaders who came for the funeral, this was a day for many Israelis to try to absorb fully what had happened, of explaining it to the children and of getting back to the business of ordinary life in extraordinary times.

"With all the anger that people had toward each other, I can't believe that we have come to this," said Jackie Ben-Haem, a mother of three children aged 5, 2 and 11 months. "Some people are saying we'll get back to things and we'll be alright. But others are very worried about the future. People are trying to say: Let's use this for something positive."

Schools held special assemblies to explain the assassination and some teachers handed out copies of the peace song that Mr. Rabin had been singing at a huge, pro-peace rally in Tel Aviv minutes before he was killed. Children's programming on cable television was changed to permit scores of children to participate in talk shows about the assassination.

"At first it was strange to see how the little children were in shock," said presenter Michal Yannai. "They were exposed to TV all the time. Rabin had always been in their living room. They knew him and suddenly they were told he's inside a coffin. It worried them a lot. Suddenly they see the adults around them crying and they are even more scared."

In a further effort toward restoring what passes for normalcy, Israel eased restrictions on Palestinians entering their country from the West Bank and the Gaza Strip. Palestinians from those areas had been barred from Israel following the assassination, for the same security reasons that forced the Palestinian leader, Yasser Arafat, to stay away from the funeral.

Mr. Arafat regretted that decision on Tuesday. "It

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Some of the thousands of Israeli mourners who paid their respects Tuesday at the grave in Jerusalem of their assassinated prime minister.

Rabin's Widow Faults Extremists in Slaying

Compiled by Our Staff From Dispatches

JERUSALEM — The widow of Prime Minister Yitzhak Rabin said Tuesday that the Likud Party leader, Benjamin Netanyahu, and other Israeli rightists had created the atmosphere that led to her husband's assassination by a religious fanatic.

Leah Rabin, in a series of radio and television interviews, blamed rightist lawmakers for giving violent speeches in Parliament and allowing outrageous incitements against her husband at rallies.

"There was a Likud rally in Jerusalem not too long ago," she recalled. "They put the figure of Yitzhak, my husband, in

the uniform of a Nazi leader, and Mr. Netanyahu was

there. He later talked against it, but he was there and he didn't stop it."

In the interview, with ABC television, she also complained that her husband had been pictured as wearing a kaffiyeh like the Palestinian leader, Yasser Arafat, and that no one had put a stop to it.

Mr. Netanyahu promptly dismissed the allegations, saying that it was "cynical incitement" to blame Likud supporters for the murder.

He said he had genuine, deep differences with Mr. Rabin and the late leader's center-left government on how best to make peace with the Palestinians, but that he had never advocated political violence.

"No one in Israel has stood more than I," he said

"facing demonstrators shouting 'Rabin is a traitor,' 'Rabin is a murderer' and shouting them down, forcefully silencing them on every occasion that I was there."

"Therefore these attempts now to make political hay out of this, to try to say it's the responsibility of the Likud is like asking whether Lee Harvey Oswald was a Republican or a Democrat and then blaming the party," Mr. Netanyahu said.

But Mr. Rabin's widow, asked in a CNN television interview whether she held Mr. Netanyahu responsible, said: "I do blame him."

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Fuji Bank Plans to Clear Its Books of Bad Loans

Bloomberg Business News

TOKYO — Fuji Bank, one of Japan's largest commercial banks, will write off all the problem loans it has extended to the country's indebted housing-loan companies by March, Fuji's president said Tuesday.

The move will make Fuji the first major Japanese bank to declare its intention to rid itself of the bad loans in one lump sum. Commercial banks, which lent billions of dollars to the housing lenders, or *jusen*, then saw many of the loans go bad when Japan's real-estate boom ended, had been expected to take several years to write off the loans.

Fuji's president, Toru Hashimoto, who is also chairman of the Federation of Japanese Bankers' Associations, called on other banks to take similar action.

"It's better to write off bad loans to the housing lenders at one time because it will increase the transparency of Japanese banks," Mr. Hashimoto said. "Banks that can't afford to do so should be able to choose to write off their loans over several years."

Mr. Hashimoto also said Fuji Bank was considering possible future mergers with other Japanese banks.

Separately, Nomura Securities, Daiwa Bank's largest shareholder, was cool to the idea of proposed merger between Daiwa and Sumitomo Bank. (Page 13.)

Fuji has not disclosed the amount of problem loans it has extended to the *jusen*. Mr. Hashimoto said the bank would incur pre-tax losses through a one-time write-off of the loans, though he acknowledged some banks might. He also said there was a danger some banks might see their capital fall to below 8 percent of their assets, which would violate requirements of the Bank for International Settlements, which regulates banks internationally.

Still banks might have to take such a bold step to dispose of the bad loans once and for all, he said. Bad loans are defined as those that are in default, those in which

interest payments have been delayed or in which the lenders have accepted lower interest rates.

Japan's eight housing lenders are saddled with more than 7 trillion yen (\$67.3 billion) in irrecoverable loans. Japan's top 21 banks have lent a total of 5.1 trillion yen to the housing lenders, but they have not individually disclosed how much in bad loans they are carrying.

The Finance Ministry estimates that Japanese financial institutions are carrying more than 40 trillion yen in bad loans, about half of which are being held by the commercial banks.

On Monday, executives of Sanwa Bank, Industrial Bank of Japan and Dai-Ichi Kangyo Bank met key members of the ruling coalition's special task force on the bad-loan issue.

"There were no specific talks about when we will write off the bad debt to the housing lenders," said a spokesman for one of the three banks, who declined to be named. "But we want to get rid of the nonperforming loans as soon as possible because the issue has become a focus of overseas concern about Japanese banks."

The Finance Ministry, which regulates Japanese banks, supports early write-offs.

"If banks can define how much they lost at the housing lenders by March 1996, it's likely some will dispose of them at one time," said Shizuharu Kubono, director of the coordination division of the ministry's banking bureau. "And if the volume of the write-offs is large, it's likely they will report pre-tax losses."

Algerian's Arrest Sought by France

Agence France-Presse

PARIS — France issued an international arrest warrant Tuesday for an Algerian reportedly under detention in Britain and suspected of masterminding a wave of bombings in France over the past three months, judicial sources said.

The warrant was issued against Abdellah Benouid, alias Aboob Fares. It cites his alleged role in a bombing Oct. 6 at the Maison Blanche station of the Paris Metro. France has been rocked by eight bombings or attempted bombings since late July that have left seven people dead and more than 200 wounded.

French authorities have blamed Algerian Muslim fundamentalists trying to end French support for the military-backed government in Algiers. A French magistrate was in London on Tuesday after the arrest of several suspects there.

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AGENDA



A supporter watching speakers at a Communist rally in Moscow on Tuesday.

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Germans Open Door to Retail Revolution

Agence France-Presse

BONN — Leaders of Germany's governing center-right coalition announced Tuesday that they had reached agreement on relaxing the country's highly restrictive shop-opening rules, heralding a mini-revolution in social habits.

New trading laws, expected to take effect by mid-1996, are likely to be welcomed by many people whose working times coincide with the present hours.

Economics Minister Günter Rexrodt, of the Free Democratic Party, presented the agreement as a major breakthrough. It was also welcomed by the German chambers of trade and commerce. But the enthusiasm was dampened somewhat by Labor Minister Norbert Blüm, who said that Christian Union deputies wanted further discussions.

The country's main retail trade union opposed the accord as contrary to its members' interests. Owners of small shops also fear an adverse effect on their livelihood.

The current laws, limiting total weekly store opening time to 68.5 hours, generally date from 1956 and are among the most restrictive in Western Europe.

Under the agreement, stores would be able to stay open from 6:00 A.M. to 8:00 P.M. Monday to Friday. This compares with 7:00 A.M. to 6:30 P.M. at present except on Thursdays, when they may stay open until 8:30 P.M.

It is also proposed that on Saturdays shops be allowed to stay open from 6:00 A.M. to 4:00 P.M., and that regional authorities be empowered to authorize closure up to two hours later. At present, stores must close at 2:00 P.M. on Saturdays, except for the first Saturday of the month and the four Saturdays before Christmas.

From Racing to Ravioli: Italian Scions Settle Down

By John Tagliabue
New York Times Service

much larger generational change in the guard in Italian business, which, more than industry in almost any other European country, is dominated by families. Except for the huge but inefficient state sector, virtually all Italian companies, even giants like the Fiat auto group, the Pirelli rubber company and the Olivetti computer maker, are controlled and run by families.

Fiat, Pirelli and Olivetti were all founded during Italy's 19th-century industrialization. And some economic historians trace the strong family tradition in Italian business to the great families of the Renaissance, like the Chigis of Genoa and the Medicis of Florence.

But most of the 3,500 private-sector companies active today were created during the rebuilding of Italy's economy after World War II. With the founders now aging, analysts estimate that one-third of them will have to find successors within the next five years.

The search for new leadership comes at a time when Italian companies, as firms elsewhere, are having to come to grips with the globalization of markets.

It is not that leaders in the older generation were global slouches. They sold shoes and clothing, machine tools and packaging equipment in foreign markets, but they usually did so in broken English and rarely dreamed of building factories outside Italy. The sons and daughters have been trained abroad, speak fluent English and maybe one or two other foreign languages, and think readily about manufacturing in other countries.

So pronounced is the generational shift that Bocconi University, Italy's leading business school, started a special program in 1991 to train the sons and daughters of growing business owners.

"If a father is successful, that usually means he's a strong personality with a very elevated ego," said Guido Corbetta, who helped design the three-week program. "That causes psychological problems."

Members of the younger generation at big Italian companies often go outside Italy for their business degrees and then get hands-on training at high-profile positions within the business before taking over.

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High Times in Amsterdam / Debating Curbs on Cannabis

Dutch Tolerance for Drugs Irks Neighbors

By William Drozdiak
Washington Post Service

AMSTERDAM — The throbbing jukebox, the boisterous billiards game and the heterosexual hustle at the juice bar seem like typical scenes at any popular watering hole for young people. But one glance at the menu tells why the Netherlands' largest city still rates as a prime laboratory for the counterculture.

A visitor looking for a late-afternoon boost might try a steaming cup of Space Tea. Or for a dessert that's truly out of this world, the Space Mushroom Pie. Those who want to light up a joint and groove on the music have a selection of marijuana with names like Purple Skunk, Swazi or Sputnik, freely sold over the counter to anyone over the age of 18.

Ever since the Netherlands decriminalized the use of soft drugs by passing its so-called "Opium Law" in 1976, "coffee shops" like Smokey's and the Bulldog have proliferated like wild mushrooms, serving students and musicians, policemen and politicians who can indulge their taste in dope by buying up to 30 grams of cannabis in the form of marijuana or hashish without fear of prosecution. (Despite its name, the law did not legalize opium.)

The Dutch government says that this policy of young people from being drawn into the hazardous milieu of cocaine and heroin.

But what the Dutch consider an enlightened approach to the vexing drug debate has angered France, Germany and Belgium. As borders become more porous within the single market of the 15-nation European Union, the Netherlands' neighbors have complained that their young people are becoming avid drug tourists, bringing back ever-larger quantities of dope from their excursions to Dutch coffee shops. And the Dutch government has proposed some mild restraints on the trade.

An alarming rise in drug use among young people in France has been attributed by some sociologists to despair about the future in a society with 12 percent unemployment. One in four people under 25 cannot find work. But President Jacques Chirac has placed the blame squarely on what he sees as the lax Dutch attitude toward drugs.

During a state dinner for European Union leaders this year, Mr. Chirac lambasted the Dutch prime minister, Wim Kok, saying he had allowed his country to become a major distribution point for both hard and soft drugs throughout Europe. "Either you get tough and change your policies, or I will shut the border," Mr. Chirac warned.

That, in turn, irritated many Amsterdammers, who staunchly support their dual-track drug policy and other social experiments.

"We are always being accused of being a permissive society, but it is a tradition that we are very proud of," said Paul Vasseur, the city's chief drug policy coordinator. "This is the place that offered safe haven to French Huguenots and Portuguese Jews when other European countries wanted to persecute them. The same sense of righteousness applies to our approach toward drugs, which we prefer to treat as a health problem and not a criminal one."

Officials say the success of its policy is reflected in the sharp decline of young people using hard drugs; only 2 percent of Dutch addicts are under 22 years of age, compared with 14 percent a decade ago. The country's addict population has dropped



Customers smoking cigarettes spiked with hashish at the Bulldog coffee shop in Amsterdam.

by a third, to 25,000 heavy users of cocaine and heroin, or 1.6 per 1,000 inhabitants. Other European countries have twice that level, and in the United States it is six times greater.

"Our coffee shops have the advantage of shielding young people from the delinquency that surrounds the sale of hard drugs in the streets," Jakob Kohnstamm, senior director of drug enforcement at the Interior Ministry, said in an interview. "We believe in the separation of drug markets, and we go after criminals who peddle hard drugs. But there is a strong demand for soft drugs that exists all over the world, and in Holland, we prefer to recognize that demand rather than to suppress it."

Some Dutch police organizations even favor a more radical policy of legalizing drugs completely to push criminal rackets out of the business, but Dutch politicians fear this would breach international drug control treaties. Broad legalization has been endorsed in the United States by such conservatives as the columnist William F. Buckley and former Secretary of State George P. Shultz, and the view enjoys growing support in the Netherlands.

After taking a closer look at the problem, however, the Dutch government acknowledged that its neighbors had a point about the exports. The flourishing coffee shops had grown to nearly 2,000 establishments serving as primary transit points for the soft-drug trade in Europe. "Nederweird," or home-grown cannabis nurtured in greenhouses with high-powered lights, had become such a booming cottage industry that an estimated 35,000 Dutch citizens were now cultivating pot for export sales exceeding hundreds of millions of dollars.

"When I took office nearly two years ago, there were no regulations at all on the coffee shops," said Amsterdam's mayor, Schelto Pauwijn. "Now we want to trim all purchases back to no more than five grams."

Hoping to appease its neighbors abroad while not antagonizing a powerful lobby of 675,000 regular joint smokers at home, the Dutch center-left government has opted for delicate compromise in the first major overhaul of the nation's drug policy in nearly 20 years.

The "adjustments" to be put before Parliament next month include a reduction in the number of coffee shops and the amount of marijuana sold to each buyer; deportation of tourists who break the drug law; cross-border cooperation to stop international drug trafficking, and new restrictions on the large-scale production of the marijuana that has become such a cash crop in the Netherlands.

Already, there are doubts about the feasibility of any crackdown, however mild, in a country that has embraced cannabis as a vital part of its culture and economy.

"It's a fairy tale," said Wim van der Camp, health spokesman for the opposition Christian Democrats. "Will 10 plants be O.K., but with 11 you go to jail and for 200 you get life imprisonment? It's ridiculous."

Mr. Kohnstamm — who as part of an exchange program once worked as an adviser to Bill Clinton when he was governor of Arkansas — sighed about the debate.

"We are a small country and we have to get along with our neighbors," he said. "But we also hate hypocrisy and have no intention of shutting down the coffee shops, because we think they serve a useful purpose. Besides, we like our leaders to admit that they inhale."

COMING UP

The Orthodox Church, which has played a central role in history and culture across a region from St. Petersburg to Jerusalem, is at a turning point, one brought on by the collapse of Communism.

THE AMERICAS

Chrétien Intruder Is Charged in Ottawa

By Clyde H. Farnsworth
New York Times Service

TORONTO — A knife-wielding intruder has been charged with trying to murder Prime Minister Jean Chrétien at his official Ottawa residence early Sunday, raising questions about the security arrangements for the Canadian leader.

André Dallaire, 34, a convenience store clerk from the Montreal suburb of Longueuil, was charged Monday. He could

face life in prison, which means 25 years before consideration of parole.

It was about 2:45 A.M. on Sunday when Alain Chrétien rose from bed to investigate noises in the hallway of the Ottawa White House. She saw a man carrying an open jackknife with a 4½-inch blade.

She quickly retreated into the bedroom, locking two bedroom doors, to telephone for help. Her husband, still asleep, was awakened by the slamming

doors.

Mr. Chrétien credited his wife's "incredible sang-froid" with saving their lives.

"She said he had glasses and a mustache. And in six to 10 minutes — I don't know — the RCMP came on the second floor and arrested a man who had a jackknife, open, right at the door of our room."

The Royal Canadian Mounted Police patrol the grounds hourly from a guard house at the front gate, but are not inside

the house itself. The man apparently scaled a fence and threw a rock through the glass of a door to gain entrance.

The break-in has shocked Canadians, whose prime ministers do not usually face daily security threats, and brought red faces to the Mounties, whose job it is to protect the prime minister.

Last year the administration came close to winning congressional approval for a thorough overhaul of the system under which hotel operators, outfitters and hundreds of other businesses win the highly lucrative right to provide a vast variety of services to the public in 12 units of the National Park Service.

The House version of the reconciliation legislation, supported by the trade association of park concessionaires, is designed to make the system more competitive. But critics in the environmental community and the park service itself say that the provisions fall far short of reform. (WP)

Bill Clinton in budget negotiations: tying the hands of his Treasury secretary.

Republican sources said Monday that House leaders were planning to impose detailed restrictions on Robert E. Rubin's authority to avert a federal default by tapping such government trust funds as Social Security and the federal employees pension plan. The restrictions would be attached to a bill allowing a temporary increase in government borrowing authority, legislation that would avert damage from the political wrangling over the budget.

Several of Mr. Rubin's predecessors have tapped such funds briefly in budget crises past, repaying the funds after political feuding had ended and the debt ceiling was increased. (WP)

Hart Gives Up on Seat

DENVER — Gary Hart has abandoned an effort to reclaim the Senate seat he gave up nearly a decade ago, rival said.

"He said he was not running," said Phil Perington, one of five candidates in the Democratic primary who attended a meeting led by Mr. Hart on Monday.

Mr. Hart, the Democratic front-runner in the 1988 presidential race until his

campaign was sunk by reports of his involvement with a model, Donna Rice, did not immediately return telephone calls.

Ten weeks ago, he began testing the waters for a political comeback. (NYT)

Endorsement Holdout

WASHINGTON — Governor Steve Merrill of New Hampshire insists he has not decided to endorse anyone yet for president, although Republican sources say he has agreed to back Bob Dole.

"I wouldn't believe any reports about me coming from inside the Washington Beltway," the Republican governor told a New Hampshire newspaper Monday.

But two sources, one of them a prominent New Hampshire Republican, said Mr. Merrill had made his decision over the weekend and planned to announce it this week. (AP)

Quote /Unquote

Vice President Al Gore on his Republican budget adversaries: "This Congress led by Newt Gingrich and Bob Dole is the most right-wing, extremist, anti-family Congress in the history of this country." (NYT)

Cuba Plans Easier Way For Exiles To Visit

By Larry Rohter
New York Times Service

HAVANA — Seeking to improve relations with Cuban exiles it once derided as "worms" and "counterrevolutionaries," the Cuban government has announced measures that would make it easier for them to visit and invest in the island.

Under the new regulations, announced Monday by Roberto Robaina, the Cuban foreign minister, the 1.2 million Cubans living abroad will be able to apply for travel documents, renewable every two years, that will allow them to enter and leave the country as many times as they like.

While details remain to be worked out, a spokesman for the Foreign Ministry said that all people of Cuban descent would presumably be eligible for the new system, including those traveling on foreign passports and those who fled the country "illegally."

The measures were announced at the end of a government-sponsored conference, "The Nation and Migration," attended by 357 émigrés, who are now being courted by Cuba as a source of capital and investment.

Cuban-Americans have long criticized the cumbersome and costly process they endure to obtain permission to visit here. The issue had been raised at an earlier meeting last year, and Cuban officials describe the changes as a step to "normalization" of their relationship with the émigré community.

Many participants also complained of efforts by the Clinton administration to prevent them from attending the conference. Washington, they said, has refused to authorize a special license that would have exempted them from the long-standing American embargo on trade and travel to Cuba.

The United States strictly limits visits to Cuba by Americans, but the administration in recent months has endorsed "people-to-people" contact between Americans and Cubans as a way of fostering political changes here, and many of those attending the conference said they were here with just that intention. Though denied the license, they were able to take advantage of new regulations that allow Cuban-Americans to visit once a year for emergency humanitarian reasons.



ELDER STATESMAN — Pierre Trudeau criticizing Quebec separatists in Ottawa for misrepresenting Canada's constitutional history. He was promoting a new book.

AMERICAN TOPICS

Benefits Are at Risk as Pool of Veterans Starts to Shrink

Support for veterans' benefits may wane as the shrinking population of military veterans grows older, blacker, poorer and more female, according to the Cox News Service.

In 1970, with the United States still deeply involved in Vietnam and the all-volunteer force three years away, 13.6 percent of the U.S. population had served in the military. But then a professional military replaced the draft, and the country has not been in a major war in 20 years. By 2010, the proportion of veterans in the population is projected to have shrunk by half, to 6.7 percent. Already, for the first time in decades, a majority of the members of Congress are nonveterans.

Analysts predict that in the future, a much larger percentage of veterans will be minorities and women and come from low-income backgrounds.

Short Takes

Allen Roses of the Duke University Medical Center, who in 1993 discovered a genetic

trait linked to Alzheimer's, says he has now figured out that it causes the disease by weakening the microscopic "plumbing" that carries nutrients to brain cells and flushes out the waste. He said the finding offers numerous possibilities for the development of drugs that might not "cure" the degenerative disease but could delay it for 20 years. That way, most people would not live long enough to get it.

The dry martini, that legendary cocktail of sophisticates from Robert Benchley to James Bond, appears to be making a comeback among young urban professionals, who also favor big-band music and expensive cigars. U.S. gin consumption last year was up, by 2.7 percent, for the first time since 1990, according to industry figures. Mr. Benchley is credited with telling a friend coming in from the rain, "Now get yourself out of those wet things and into a dry martini."

Mike Marcotte risked his nose to help a skunk in distress. The skunk got its head caught in a jar while rooting through some garbage outside a supermarket. Fellow store employees phoned the police for help, but the Farmington, Maine, resident, saying he feared the animal would suffocate, gritted his teeth, reached down and tugged on the jar. It would not come loose. "I gave it another yank and it came off, and I took off," Mr. Marcotte said. The skunk lingered briefly, then ambled away without leaving its powerful spray behind.

International Herald Tribune

that Christopher Mackinney violated a state vandalism law or obstructed the police, the court said. (AP)

A man questioned in the Oklahoma City bombing has pleaded guilty to resisting arrest. Prosecutors agreed to drop a firearms charge in exchange for the resisting-arrest plea that Steven Garrett Colbern, 35, entered in U.S. District Court in Los Angeles. Mr. Colbern was arrested on May 12 in Oatman, Arizona, by federal agents investigating areas they believed the bombing suspect Timothy J. McVeigh had visited. A search of Mr. Colbern's bedroom and truck turned up weapons and two bags of ammonium nitrate, the type of fertilizer used in the Oklahoma City bomb that killed 169 people. (AP)

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Away From Politics

Two dozen midshipmen were implicated in the sale or use of drugs, including LSD and marijuana, in a widening of the latest scandal at the U.S. Naval Academy. Five cadets suspected of selling drugs to their classmates face possible courts-martial, while as many as 19 others could be dismissed for using drugs, according to a statement issued by the academy. (NYT)

AIDS patients may soon have a new drug to help boost the effectiveness of their standard treatment. Government scientists have recommended that the Food and Drug Administration approve the drug 3TC to be used with AZT, the standard therapy most AIDS patients take. Glaxo Wellcome Co. manufacturers both drugs.

A Los Angeles bus hit and killed a man on a scooter, and two enraged bystanders pulled the driver off the bus and beat him, the authorities said. Jafar Broussard, 20, died at the scene, the police said. The driver was in critical condition. (AP)

About 90 million Americans still breathe air that fails to meet federal health standards, but the number of people who live with dirty air has declined by more than a third since 1990, the Environmental Protection Agency reported. (AP)

A sidewalk chalk artist who talked back to police should not have been arrested and has the right to sue, a federal appeals court in San Francisco ruled. No reasonable officer could have believed

POLITICAL NOTES

A Parks Giveaway?

WASHINGTON — In the huge budget reconciliation bill being finalized on Capitol Hill, there are not many areas where the administration believes Congress has not gone far enough. But the National Park Service concession-fees system is one of them.

Last year the administration came close to winning congressional approval for a thorough overhaul of the system under which hotel operators, outfitters and hundreds of other businesses win the highly lucrative right to provide a vast variety of services to the public in 12 units of the National Park Service.

The House version of the reconciliation legislation, supported by the trade association of park concessionaires, is designed to make the system more competitive. But critics in the environmental community and the park service itself say that the provisions fall far short of reform. (WP)

Flanking the Treasury

WASHINGTON — House Republicans have devised a strategy they hope will increase their leverage over President

Sex Harassment Trial

Shadows Navy Captain

Washington Post Service

U.S. Navy Secretary John H. Dalton has decided that a captain acquitted at a court-martial of having an "unduly familiar" relationship with a female subordinate should be denied promotion to rear admiral, according to congressional sources.

The case involves the former head of the navy's sexual harassment and equal opportunity office, Captain Everett L. Greene. Captain Greene, 47, became the highest-ranking navy officer to face a court-martial in more than five decades when he went to trial last month on charges that he sexually harassed his subordinate.

Captain Greene is one of two blacks on the navy's seven-man list to join the 220 admirals on active duty. The selection list had been forwarded to the Senate before Captain Greene was

charged. His selection was put on hold pending the outcome of the trial.

Mr. Dalton's recommendation now goes to Defense Secretary William J. Perry and then to President Bill Clinton, who is the only one who can remove his name from the selection list.

One navy official said Mr. Dalton had to decide not whether Captain Greene was guilty of a criminal offense but whether he had the "professional judgment" and "proper character to lead men and women" and whether navy leadership could have "trust and confidence" in the individual.

A Senate source, making the same points, said it would have been particularly difficult for Captain Greene to garner the "trust and confidence" from his superiors following the trial's revelations.

Fever No Longer a Mystery

The Associated Press

MANAGUA — The U.S. Centers for Disease Control and Prevention has tentatively identified a mystery fever that has killed 16 people and infected 2,000 others in Nicaragua.

The agency diagnosed four cases of the disease as leptospirosis, Nicaraguan's health minister, Federico Muñoz, said Monday.

He said the agency will conduct further tests to confirm the diagnosis.

Leptospirosis is an infectious disease transmitted from animals to humans. It can be treated with such antibiotics as peni-

cillin. Humans contract the disease through contact with the urine and feces of dogs, cows, rodents and other animals.

The disease produces chills, fever, headaches, body aches, bleeding from the lungs and sunken ribs.

In Singapore, there's only one Mandarin Oriental hotel.

The Oriental, Bangkok

Mandarin Oriental, Hong Kong

Mandarin Oriental, Jakarta

The Ritz, London

Mandarin Oriental, Macau

Mandarin Oriental, Manila

Mandarin Oriental, San Francisco

Baan Taling Ngam, Koh Samui, Thailand

Phuket Yacht Club, Thailand

Hotel Bela Vista, Macau

Hotel Majapahit, Surabaya (1996)

Kohala Mandarin Oriental, Hawaii (1996)

Mandarin Oriental, Kuala Lumpur (1998)

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ASIA

3 Accused GIs in Okinawa Hear Rape Victim's Hope

By Kevin Sullivan
Washington Post Service

NAHA, Okinawa — Three U.S. servicemen accused of raping a 12-year-old Okinawan schoolgirl, in a case that has sent shock waves from Tokyo to the White House, sat in court Tuesday and listened as a prosecutor read the little girl's response: "I hope they will be kept in jail as long as they live."

All three men admitted in court that they had participated in abducting the girl on Sept. 4, taping her mouth, eyes, legs and wrists and driving her to a cane field. One of the men, Seaman Marcus D. Gill, 22, admitted that he then raped the girl; the other two, both Marines, Privates First Class Rodriro Harp, 21, and Kendrick M. Ledet, 20, denied raping her.

The court appearance gave the public its first look at three young servicemen whose behavior started an international incident that has brought apologies from President Bill Clinton, jeopardized the government of Prime Minister Tomiochi Murayama and forced an angry debate on the Japanese-U.S. security relationship that neither wanted.

Since the rape, public outrage has grown into an issue that probably will result in

some reductions of the U.S. presence in Okinawa. Using the rape case for traction, Governor Masahide Ota has threatened to take Mr. Murayama to court over the issue of private landowners who are refusing to renew their leases on property being used for U.S. bases.

Two weeks ago in Okinawa, more than 50,000 people attended a rally calling for the punishment of those who raped the girl and a reduction of U.S. bases in Okinawa, which cover 20 percent of the island's land.

In response to the rape, women have started Okinawa's first rape-crisis center, and they plan to stage a sit-in at the local government office until Nov. 20. That's when Mr. Clinton begins a state visit in Tokyo that is to focus on the U.S.-Japan security relationship.

In the center of the storm stood a man in plastic flip-flops. Mr. Gill, a thick-necked Navy nurse and former star high school football player in tiny Woodville, Texas, was wearing a red-and-green rugby shirt, khaki pants and sandals as he stood before the three-judge panel that will decide his fate. There are no jury trials in Japan.

"Yes," said Seaman Gill, who is married and has two children, standing with his hands folded behind his back,

when asked if he admitted the charges against him.

He was followed by Private Ledet, who has been described in some reports as a Boy Scout, a church usher and a tuba player in the school band in his hometown of Waycross, Georgia.

"I never hit her; I never raped her," said Private Ledet, who was also dressed casually in a track-suit top and green jeans. He told the judges that he did not rape the girl, but he bowed his head and said "yes" when the chief judge asked him if he had conspired to plan the rape.

Prosecutors introduced a signed statement from Private Ledet that said he attempted to rape the girl after Seaman Gill did, but he was unable to penetrate her. Under Japanese law, Private Ledet faces the same sentence, three years to life imprisonment, if he conspired in the rape but did not actually sexually assault the victim.

Private Harp, of Griffin, Georgia, a slight man wearing a Nike pullover and black sweat pants, was the last to enter his plea: "Guilty," he said. "But I'd like to add that I did not rape her. But I did hit her."

Prosecutors also provided their first detailed description of the charges against the three. They told the judges that the trio and one other American serviceman went driving in a rented car shortly after noon on Sept. 4. They visited a record shop, then Seaman Gill allegedly suggested raping a girl. They drove to a store where Privates Harp and Ledet purchased duct tape and condoms. The fourth man masked to be dropped off.

The prosecutors said that at about 7:30 P.M., the three men began looking for a girl to rape in a small town north of Naha, the capital. They spotted the girl as she was walking home from a stationery store.

The servicemen listened impassively as prosecutors read statements from the victim's parents. "I hope the death penalty can be given to them," her mother's statement said.

"If the existing laws permit it, I would like to kill these three American soldiers," her father's said.

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Okinawa police shielding the three U.S. servicemen as they walk to their trial in Naha.

McNamara Visits Country He Once Tried to Destroy

The Associated Press

HANOI — Twenty years after the end of a war he helped escalate and later called a mistake, Robert S. McNamara on Tuesday visited the former enemy capital.

The former U.S. defense secretary was met by officials of the Foreign Ministry's Institute for International Relations. It was his first visit to Vietnam since the war ended in 1975.

"We're here, obviously, for one reason — to see if Vietnam and the United States can draw

lessons from what was a tragedy for both sides," Mr. McNamara said. He came as part of a delegation from the New York-based Council on Foreign Relations, which is asking Hanoi to collaborate in a high-level conference on the Vietnam War.

As defense secretary under Presidents Kennedy and Johnson from 1961 to 1968, he strongly supported the U.S. role in Vietnam. He resigned in 1968 after becoming convinced the war was unwinnable.

Mr. McNamara, 75, is visiting Vietnam for the first time since he left the Defense Department in 1968. He is staying at the Hotel Metropole in Hanoi.

He is expected to meet with

Vietnam's foreign minister, Nguyen Co Thach, and other officials.

He is also expected to meet with

former U.S. Ambassador to Vietnam, Donald Rumsfeld, and former Defense Secretary Caspar Weinberger.

Mr. McNamara, a former

member of the Senate Select Committee on Intelligence, is visiting Vietnam to assess the progress of the peace process.

He is also expected to meet with

former Defense Secretary Robert McNamara, 75, and former

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EUROPE

Paris Sends Aide to U.K. To Organize Terror Hunt

Reuters

PARIS — France's senior anti-terrorist magistrate, Jean-Louis Bruguière, arrived in London on Tuesday to coordinate moves with British authorities against Algerian Muslim fundamentalists suspected of being involved in a series of bombings in France, his office said.

Aides confirmed the visit after the French daily *Le Monde* said he had gone to Britain to discuss the case of Abdelkader Benouf, an Algerian also known as Abou Fares, who is being held by the British police in connection with a series of bombings in France.

Another Algerian, arrested with Mr. Benouf on Saturday, was released Monday and immediately re-arrested on unregistered immigration charges.

French media have identified the second man as a brother of Abdelkrim Deneche, an Algerian resident in Sweden who is suspected by France to be another key figure in the bombings case. Sweden has rejected France's request for the extradition of Mr. Deneche.

Le Monde said Mr. Bruguière would discuss with British officials a possible request to extradite Mr. Benouf, whom France suspects of having orchestrated a series of bomb attacks that killed seven people and wounded about 170 in France since July 25.

An Algerian extremist movement, the Armed Islamic Group, has claimed responsibility for the bomb attacks. It accuses France of siding with the military government in Algiers in a civil war against Muslim fundamentalists.

Another young Algerian suspected of involvement was transferred to a Paris hospital Tuesday. Karim Koussa was wounded in a shoot-out with security forces near Lyon on Oct. 3 as he tried to cover the escape of Khaled Kelkal, another key suspect, who was killed soon afterward by the police.

Shake-Up Is Evidence That Paris Means Business

By Joseph Fitchett
International Herald Tribune

PARIS — President Jacques Chirac's drastic decision to appoint a new cabinet signaled both a deep political crisis in France and a bid to restore a sense of momentum behind a tighter, more experienced and combative team.

Only four new people were brought in, and key ministers

NEWS ANALYSIS

were kept, but 16 less-experienced ministers were dropped as the number of government posts was cut in half.

This leaner team is clearly meant to be tough enough to surmount the deepening woes of Prime Minister Alain Juppé and President Chirac, who have sunk to record lows in popularity after a mere six months in office.

No recent government has fallen as fast as Mr. Juppé's. The timing of the surprise shuffle — in itself an admission of the government's deep troubles — was clearly dictated by the need for a team capable of winning broader

support for radical changes in the social security system.

That test, coming up for parliamentary debate this month, is critical to the government's wider credibility as it seeks to tackle the deficits dogging the economy.

The key change involves a slight shift of the largely Gaullist government toward centrists, notably Jacques Barlatier, the labor minister, who was promoted to a superministry in charge of social affairs. His record of social concern and authority from past ministerial posts will give the government muscle in tackling the explosive social security issue.

Among the centrists, the most prominent new minister is Alain Lamassoure, who handled European affairs in a previous conservative government and has been brought in to handle the budget portfolio under Finance Minister Jean Arthus.

Mr. Lamassoure worked well with Mr. Juppé when the latter was foreign minister under Prime Minister Edouard Balladur, but Mr. Lamassoure made himself ineligible for a

job in the first Juppé government by supporting Mr. Balladur's presidential bid against Mr. Chirac. No prominent Balladur supporters were included in the government after the May election.

The prominence of centrists will reassure Germany and other European countries about France's commitment to moderate policies and continued commitment to closer integration in Europe.

Mr. Juppé clearly intends to keep a firm hand over foreign and security issues, behind Mr. Chirac. He did not change his

original team in that sector, concentrating the changes on social and economic affairs.

In choosing a leaner, meaner team, Mr. Juppé can claim to be following the logic of the policy shift Mr. Chirac announced last month. The president said France was obliged to launch a campaign to redress the gaping deficits in government spending, including welfare programs.

The decision to translate that pledge into a new government lineup, even at the risk of some political embarrassment at changing so young

a cabinet,

is evidence that

France's leadership means business.

The reshuffle is likely to impress financial markets favorably and perhaps help ease pressures on the French franc and interest rates. A symptom of how sensitive these questions are was the unusual formula chosen for announcing the changeover: Mr. Juppé's continuation as prime minister was announced simultaneously with the cabinet's resignation, apparently to avoid even a few hours' speculation that might have exposed the franc to attacks.

That arrangement also made it easier for Mr. Juppé to drop so many untried, low-profile politicians, who had fumbled badly, especially in the social and health sectors that have become politically sensitive.

An effort had been made to include more women in the first government. Only four women survived the shake-up.

The blame for squandering the government's honeymoon period lies largely at the door of Mr. Chirac, who only now has come down firmly on the side of austerity.

Traveling to Sydney

WITH ITS STUNNING harbor ringed by such famous icons as the Sydney Harbor Bridge and the Sydney Opera House, Sydney has long been regarded as one of the world's most beautiful and glamorous cities.

Its 250 kilometers (155 miles) of harbor are surrounded by secluded bays and imposing headlands, its waters are criss-crossed by ferries, and ocean liners dock in the shadow of downtown skyscrapers — right beside The Rocks, the historic precinct where Sydney's first village was created in 1788.

Fronting the Pacific Ocean are some of the world's finest beaches, where sun lovers take advantage of the city's Mediterranean climate.

Sydney is Australia's largest city, with a population of 3.7 million, the capital of the State of New South Wales, and an increasingly important regional financial and commercial center for the Asia-Pacific region. The city attracts more than 1.5 million international visitors a year, a figure expected to rise to 2.5 million by the year 2000 — when Sydney will host the Olympic Games.

Darling Harbor, right next to the great bridge in the heart of the city, is a multi-billion dollar transformation of abandoned dockland facilities and railway goods yards into Australia's premier convention, exhibition and entertainment precinct.

Getting Around

One of Sydney's major transport systems, the ferries, is also one of its main tourist attractions. These are inexpensive (a round trip costs about \$4) and are the best way to take in the city's stunning harbor vistas. Sydney also has a good, safe bus and train network. Most visitors will find public transport an easy, economical way to get around the city.

Taxis are metered, reasonably priced and in good supply. Car rental and limousine hire can be arranged through hotels. An Airport Express bus provides a convenient, economical link between airport terminals and the city's



Australians speak a language that is not English and one in four Australians has a parent who was born overseas. Sydney alone has 82 different ethnic newspapers. Interpreter services are readily available.

Wining & Dining

The quality and range of restaurants and cafés in Sydney never ceases to surprise visitors. Given its climate, diverse ethnic roots and geographical location, however, it is no surprise that the sunny flavors of the Mediterranean and the spicy flavors of Southeast Asia should mingle together on the city's menus.

Sydney is home to some of the most adventurous restaurants in the country, whose chefs have rewritten the culinary rule books in their quest for a distinctly national cuisine. You will find a splash of olive oil tossed in with one hand, chilies and coriander with the other.

These days Sydney's fish comes to your table spiced with a piquant lemongrass sauce, grilled with sweet red peppers and glistening with olive oil, carved into paper-thin sashimi, glowing with a coconut and chili dressing, or simply pan fried with a lemon butter sauce. Wine lists reflect the internationally renowned quality of Australia's wine industry.

Dining in Australian restaurants tends to be quite relaxed, with an informal dress code. BYO means that you can bring your own wine to the restaurant, although a small corkage fee will be charged.

Tipping is not expected although it is customary to leave 10 percent of the bill.

Armstrong's Brasserie, 1 Napier Street, North Sydney. Tel.: 955 2066. Contemporary Australian style

Next City

SOFIA

"BUSINESS TRAVEL WITH ITT SHERATON" was produced in its entirety by the Advertising Department of the International Herald Tribune. WRITER: Nigel Hopkins is a free-lance writer based in Adelaide. PROGRAM DIRECTOR: Bill Matlader.

Staying at ITT Sheraton In Sydney

arts in Australia. The Royal Botanic Gardens is handy for an early morning walk or jog. Despite the intensity of its business activity, Sydney is very much a "green" city, with great open spaces such as the Domain and Hyde Park.

Sydney is a city that knows how to have a good time, and many Sydneysiders like to play in Kings Cross, the most famous night-life strip in Australia and a heady cocktail of fine restaurants, fast food outlets, upmarket clubs and downright dives. Every sailor and tourist looking for adventure ends up here.

In a Word

English is the common language in Australia, but the country is home to one of the most multicultural societies on earth and, after Israel, is the world's most polyglot nation. One in five

Guests are welcomed in a three-story lobby with immense marble columns and a sweeping grand staircase. The 559 spacious rooms, including 49 suites, eschew the usual sterility of hotel rooms, making guests feel at home with warm color schemes, plush furniture and luxurious black marble and granite bathrooms. Twenty-three of the suites have balconies and spectacular views over Hyde Park and Sydney Harbor.

All the amenities international guests expect — and more — are provided. All suites and some rooms, for instance, have deluxe stereos with compact disk players. Executive Club guests have

access to the 21st floor Club Lounge, with its panoramic views of the city and the harbor and special services.

When it's time to dine, the hotel offers two tempting options. The Gekko restaurant is renowned for its creative cuisine, blending Mediterranean and Asian influences, and for its beautiful setting — enhanced by indoor sculpture gardens overlooking the park. The Botanica Brasserie serves meals and snacks all day and also has views of the park.

For tea or cocktails, nothing could be more relaxing than the light-filled Conservatory with its glass-domed ceiling and two-story-high windows looking out on the

park. When it gets dark, guests can repair to the cozy wood-paneled Hyde Park Bar or to Sydney's hottest nightspot, RIVA, where they can choose a disco, live music or quiet conversation areas.

The Sheraton On The Park also has fabulous facilities for business entertaining or conference. The pillarless Grand Ballroom, with park-view floor-to-ceiling windows, can accommodate 800 in theater seating or 530 for banquets, and the hotel has a total of 14 function rooms and a fully equipped Business Center.

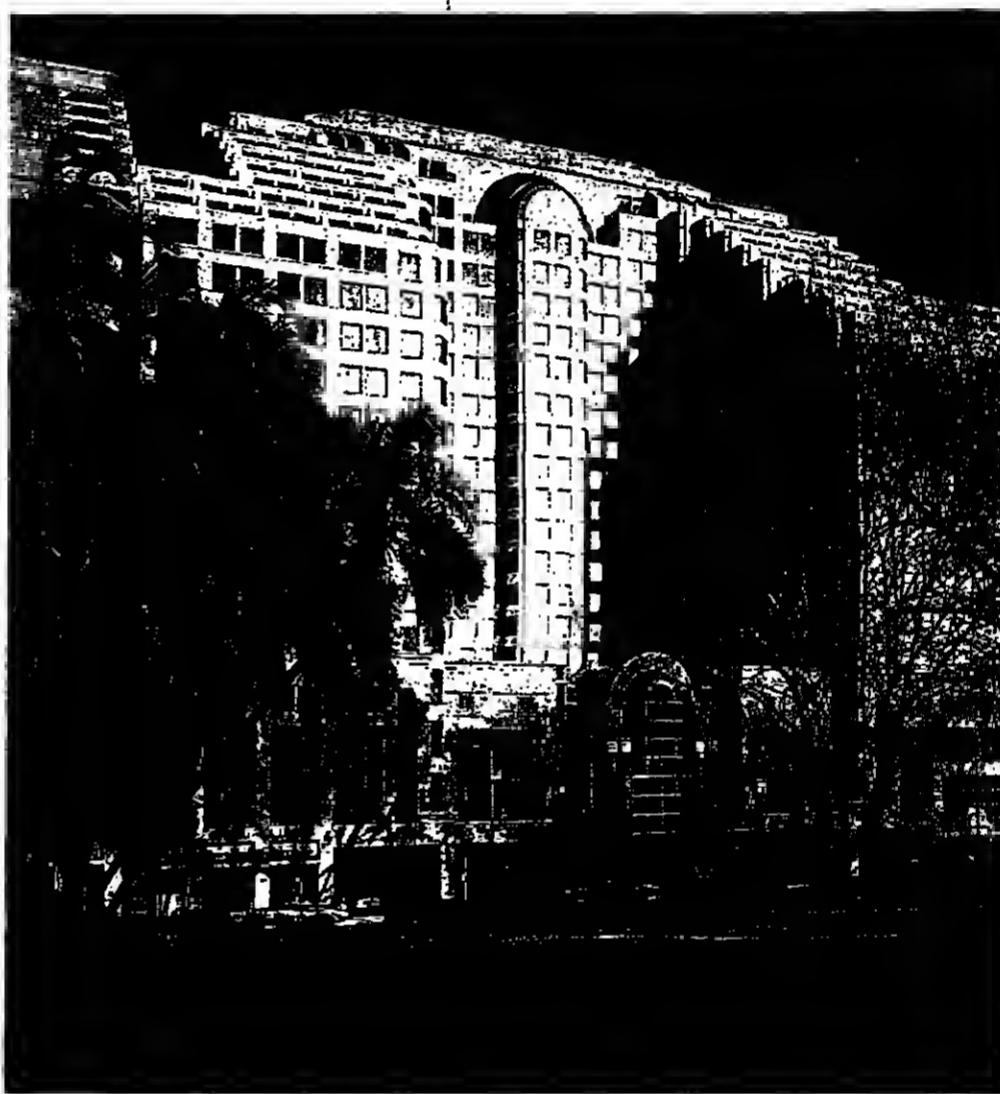
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Now cha

INTERNATIONAL

Hague Prosecutor Cites Delays by U.S. Letter Faults Cooperation On War Crimes Evidence

By Michael Dobbs

Washington Post Service

WASHINGTON — The chief prosecutor of an international war crimes tribunal has complained to the United States about delays in handing over intelligence information that could be used to build criminal cases against people suspected of atrocities in the former Yugoslavia.

The complaints, which are contained in an Oct. 30 letter from Judge Richard Goldstone to the U.S. Embassy in The Hague, appear to cast doubt on recent assertions by U.S. officials that the Clinton administration is cooperating fully with the work of the tribunal.

In his letter, Judge Goldstone describes the "quality and timeliness" of the information provided by the U.S. government as "disappointing."

The White House press secretary, Michael McCurry, called the charges by Judge Goldstone "unfortunate," noting that Washington had spent a lot of time and resources collecting evidence, "which we have always quickly shared," Agence France-Presse reported.

[He denied that Washington was withholding technical evidence, but acknowledged that there were "certain types of intelligence we can't share with the international community."]

The issue of prosecuting alleged war criminals has assumed central importance in the Bosnia peace talks, which are about to enter their second week in Dayton, Ohio. According to a leaked draft of U.S. proposals,

Delay Over NATO Chief Linked to U.S. Irritation

Reuters

BRUSSELS — NATO's difficulty in naming a new secretary-general underlines the importance Washington attaches to the post coupled with irritation at its European allies for pushing their candidates, diplomats said Tuesday.

"I do not think they have serious objections; they are just trying to make a point," a senior NATO diplomat said.

NATO's ambassadors were meeting again Tuesday to take new soundings on support for the only two candidates: former Prime Minister Ruud Lubbers of the Netherlands and former Foreign Minister Uffe Ellemann-Jensen of Denmark.

"I would expect no decision,

I think there were still be several more meetings," said another alliance diplomat.

The United States said Monday that it was not ready to back the front-runner, Mr. Lubbers. "We just don't know where this process is leading," said the State Department spokesman, Nicholas Burns. "We need to continue our discussions with our allies and reach a consensus decision, but it's not possible to have one yet, because the discussion hasn't reached that point where a decision can be made."

Officials acknowledged privately that the Clinton administration was annoyed at France and others for promoting Mr. Lubbers's candidacy publicly.

Jordan Airliner Is Diverted for Bomb Search

By Elisabeth Roseenthal
New York Times Service

VIENNA — A Jordanian state airliner that had been forced to make an emergency landing in Vienna on Tuesday after receiving a bomb threat was given the all-clear by Austrian police after a thorough search.

"The search is over and is negative," said an Interior Ministry spokesman. The Alia flight was scheduled to go on to Amman later in the day, he said.

The Lockheed TriStar wide-bodied jetliner, en route from Chicago to Amman via Amsterdam with 233 passengers, was over the former Yugoslavia when the alarm was raised.

A police official at the Vienna airport said that the threat had been received by telephone in Amsterdam and passed to Amman, which radioed the plane to turn back and land in Vienna.

Indictments Send South African Whites Into a Panic

By Lynne Duke
Washington Post Service

JOHANNESBURG — South Africa's white political establishment has started to run for moral cover since one of its own, a former defense minister, was charged with organizing the killings of black activists during the apartheid era.

As defense minister for 11 years ending in 1991, Magnus Malan was a pillar of the establishment during the time of racial separation.

But he stood in court last week along with four of his generals and six other senior military officials to face murder charges over a hit squad whose members killed 13 people, including six young children, in a failed attempt to assassinate an anti-apartheid leader in 1987.

The case has already polarized Pres-

ident Nelson Mandela's government. Should it go to trial — and indications are that it will — the case will pose the first real test of whether the process of truth and reconciliation is to have teeth

NEWS ANALYSIS

and whether South Africa's white political establishment can withstand the political storm likely to follow.

Many prominent figures from the post-apartheid era are now serving in the post-apartheid government, most notably Second Deputy President Frederik W. de Klerk, who once was Mr. Malan's boss. As a result, questions about ultimate culpability for misdeeds under the apartheid system cut deep into the political culture.

In that light, it perhaps is not surprising that Mr. de Klerk has vowed "to protect the interests of all members

of the former security forces — not just the generals, but also members of other forces of other political movements."

Apartheid ended last year with the nation's first all-races elections, which the anti-apartheid African National Congress won. In the 46 years of apartheid, an unknown number of abuses and atrocities were committed in the fight against ANC subversion of white-minority rule.

The 1987 massacre represents but a small glimpse at potential state involvement in those abuses. But it is a dramatic contrast with the incantations of racial reconciliation that seemed to give cover to the whites once powerful under apartheid.

The case has energized many blacks, who long have pressed for aggressive pursuit of such cases. But it has left many whites nervously asking where it will end.

"Can one put a lid on it?" asked Robert Schrire, a political scientist at the University of Cape Town. "Can one stop it? Or was it naive to believe that one could flip the page of history?" The danger, he said, is that "this will lead to the demoralization of whites once you get on the path of retribution."

Mr. Malan and his generals are accused of organizing a hit squad of Zulu nationalists trained, paid and defense force.

Although Mr. de Klerk and other white politicians have expressed shock at Mr. Malan's arrest, Mr. Mandela and the ANC have stressed repeatedly that national reconciliation cannot occur without the truth first being told.

The ANC has admitted that its members also committed atrocities during the struggle against apartheid.

Those abuses, while more limited, according to what is in the public record, are likely to be aired along with government abuses once a truth commission is in place early next year.

"Everyone's going to get hurt in the process," said Johnnie de Lange, an ANC member and chairman of Parliament. Nonetheless, the process of truth-telling, he said, will be "a great liberating experience."

That the Malan case is unfolding well before that commission is in place has caused many prominent whites to cry foul. They accuse Mr. Mandela of endangering reconciliation by not granting the defendants immunity.

But the president has refused to intervene. He described himself as the "architect" of the reconciliation process Monday, noting that he began it in 1986 while still a political prisoner.



PRELUDIUM TO ELECTIONS — Thousands of communists filling Tverskaya Street in Moscow on Tuesday to mark the 78th anniversary of the Bolshevik Revolution.

Gilles Deleuze, 70, Philosopher And French Academician, Dies

New York Times Service

PARIS — Gilles Deleuze, 70, a philosopher and university lecturer whose prolific writings on art, literature and human thought influenced French intellectuals, died Saturday in Paris.

Family members said he had jumped from his apartment window to end a worsening chronic respiratory illness for which he had recently undergone a tracheotomy.

Mr. Deleuze taught at the university established in the Paris working-class suburb of Vincennes after the student uprising in 1968 and wrote the best-known of his 30 works, "The Anti-Oedipus," in 1972 with Félix Guattari.

The book, an attack on conventional psychiatry, sold 53,000 copies in France. He and Mr. Guattari, who died of a heart attack in 1992, wrote four other books together, including "What Is Philosophy?" in 1991.

Born into a conservative family in Paris on Jan. 18, 1925, Mr. Deleuze was influenced by the radical atmosphere of the Left Bank after World War II.

He studied at the Sorbonne after 1944 and became an assistant professor there in the history of philosophy in 1957, later moving to the University of Lyon.

After the student uprising in 1968, Mr. Deleuze became a popular and influential lecturer at Vincennes, where students flocked to hear him speak.

Revolution, he believed, was an inherently creative act against the repressiveness of the state, and he coined a word, "Nomadism," to describe it.

"Determinitorialization" was another word he coined to describe the phenomenon by which individual identity frees itself from external attempts at categorization.

Isang Yun, 78, Korean Avant-Garde Composer

BERLIN (AP) — Isang Yun, 78, the Korean-born avant-garde composer whose kidnapping and trial by South Korea raised an international furor a quarter-century ago, died of a lung infection Friday in Berlin.

Mr. Yun, who lived in Germany since the 1950s, visited Communist North Korea in 1963. He was kidnapped in 1967 by South Korean agents, put on trial in Seoul and convicted of unauthorized contacts with the north. After protests from around the world, he was freed and returned to Berlin in 1969.

Eddie Egan, 65, Inspired 'The French Connection'

MIAMI (AP) — Eddie Egan, 65, the tough-talking New York City police officer whose exploits inspired the Academy Award-winning film "The French Connection," died of cancer Saturday in Miami.

With his partner Sonny Grosso, Mr. Egan managed a heroin bust in 1962 that was one of the biggest in New York City's history. Mr. Egan, nicknamed "Popeye," was played in the 1971 movie by Gene Hackman, while Mr. Egan played his own boss.

William M. Rountree, 78, a veteran U.S. diplomat who served under six presidents and was an ambassador to Pakistan, Sudan, South Africa and Brazil, died Friday in Gainesville, Florida.

Georgian Warlord Awaits His Arrest

The Associated Press

TBILISI, Georgia — Dzhaba Ioseliani, who lost his parliamentary immunity after an election defeat Sunday, awaited arrest Tuesday in connection with a car-bomb attack on President-elect Eduard A. Shevardnadze.

But police could not arrest the warlord because he enjoyed immunity from prosecution as a lawmaker in this former Soviet republic.

Mr. Ioseliani was considered the second most powerful person in Georgia before he lost his Parliament seat.

The prosecutor-general is

On Tuesday, he said he had warm clothes ready to bring to jail when the police come for him. During the Soviet era, Mr. Ioseliani spent 18 years in a Leningrad prison for robbery and other crimes.

Many say his paramilitary group, Mikhedoni, helped him control much of Georgia.

But several of his fighters were jailed in an anti-crime crackdown by Mr. Shevardnadze.

Rock Carvings Halt Work On a Portuguese Dam

Reuters

LISBON — Portugal's new Socialist government stopped work Tuesday on a dam whose waters threatened rock carvings that some experts say are among the oldest in Europe.

Prime Minister António Guterres told Parliament that work on the Foz Coa dam project would be halted while experts were given time to confirm the date of the carvings. "If their importance is confirmed, and I hope it is, the project will be definitely abandoned," Mr. Guterres said.

Archaeologists say the carved images of animals on the rocky sides of the Coa River in northern Portugal are one of the world's largest open air exhibitions of Paleolithic art. Other experts have disputed the claim.

Blast Linked to Gas Leak Injures 24 at French School

The Associated Press

LIBOURNE, France — An explosion apparently caused by a gas leak at a school in this small southwestern town injured 24 people Tuesday, 13 of them seriously, officials said.

The explosion occurred on the first floor of a dormitory building at the private Ecole Jeanne d'Arc in Saint-Médard de Guise.

On Tuesday, the officials said. Most of those hurt were students, ages 16 to 18, who lived at the school.

Fifteen of the students were seriously injured, mostly with burns, and were flown by helicopter to local hospitals. Others were treated at the school, the officials said. The most badly burned student was thrown through a window by the blast.

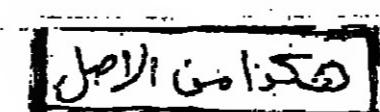
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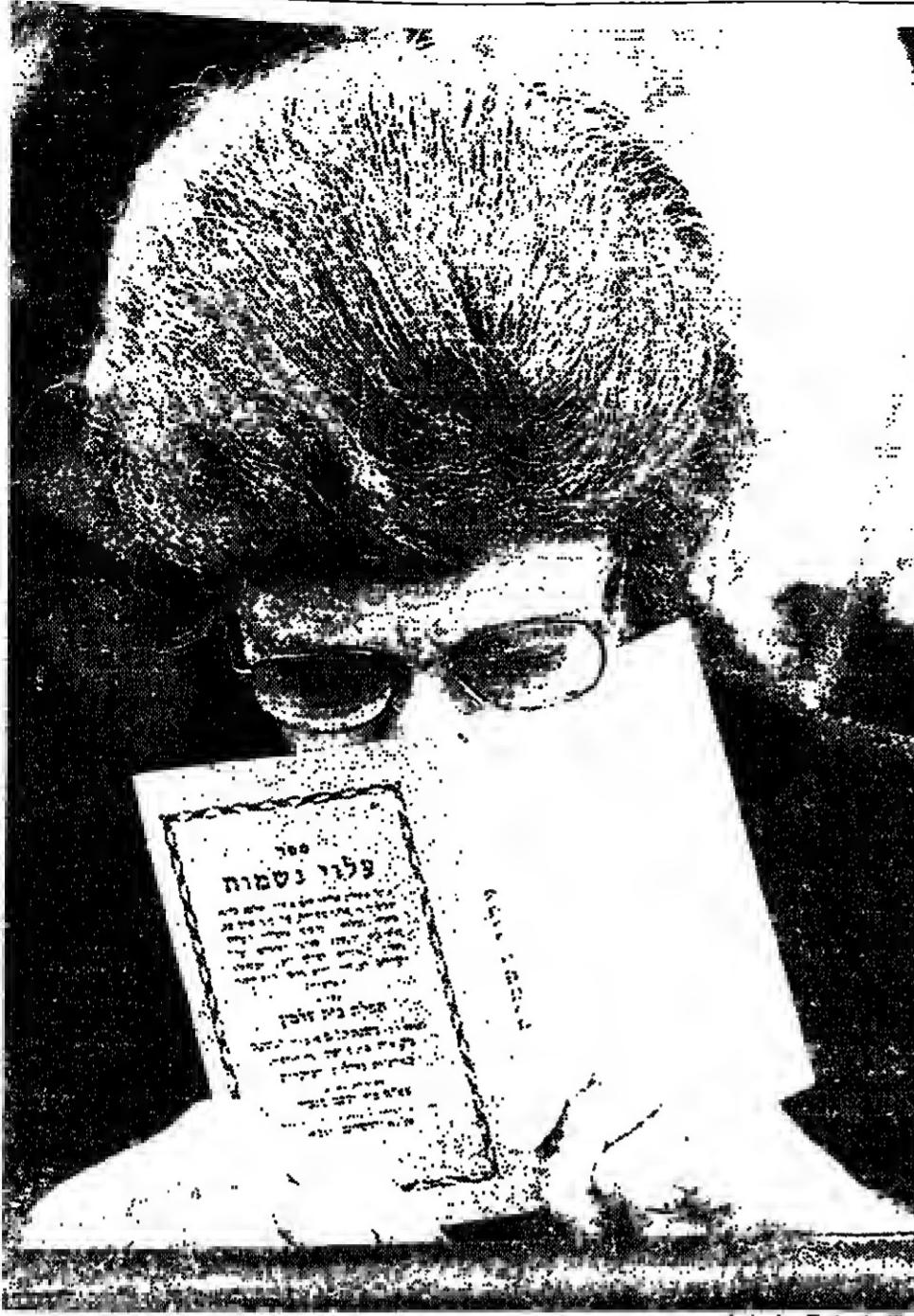
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INTERNATIONAL

Peres Must Make Some Hard Decisions Quickly

A woman praying at Mr. Rabin's grave at Herzl Cemetery in Jerusalem on Tuesday.

ISRAEL: Amid Grief, a Pledge to Work for Peace

Continued from Page 1

was very painful for me," he said.

It is clear that the divisiveness of the debate about the assassination is already clouding Israel's efforts to recover from the spectacle of a Jew killing a Jew.

In Tel Aviv, a fistfight broke out between rightist and leftist Israelis at the square where Mr. Rabin died.

At the Kiryat Arba settlement near Hebron, home to many ultrareligious Jewish settlers, an unidentified man used black paint to deface the grave of Baruch Goldstein, the extreme right-wing who killed 29 Arab worshippers in February 1994. His grave had become

the object of pilgrimages by right-wing extremists.

Despite the divisions, Shimon Peres, the acting prime minister, declared: "I shall continue the process of peace that we have started."

Under Israel's constitution, Mr. Peres, the foreign minister, has taken over the two portfolios held by Mr. Rabin, defense and the prime minister's office.

In deference to the bereaved family during the seven-day period of mourning called Shiva, the government decided to take no formal steps concerning Mr. Rabin's succession until Sunday.

On Sunday, President Ezer Weizman is expected to invite Mr. Peres to form a new government and secure a parliamentary majority for it within the 21 days laid down in the constitution.

"For us the main consideration is the peace process," Mr. Peres said Tuesday as he began work in the prime minister's office. "I said yesterday and I shall repeat it that for us to win peace is more important than even to win an election."

"For us what we have agreed and what we undertook upon ourselves we are going to implement in spirit and letter," he said.

Mr. Arafat, who flew to Cairo on Tuesday to meet with President Hosni Mubarak on Saturday by a Jewish extremist was traumatic for Israel as Kennedy's was for the United States in 1963.

**A Gesture
At Graveside**

Agence France-Presse

JERUSALEM — Senator Edward M. Kennedy, standing by the grave of Prime Minister Yitzhak Rabin on Monday, sprinkled a handful of earth taken from the gravesite of his brother, John F. Kennedy.

The gesture came as many drew parallels between the two assassinations, saying Mr. Rabin's son Saturday by a Jewish extremist was traumatic for Israel as Kennedy's was for the United States in 1963.

FANATICS: Rabin's Widow Blames Agitators

Continued from Page 1

Mr. Netanyahu said there was "very cynical incitement going around now trying to blame part of the country and blushing half the people".

He said the government should use the law to ban what he called extremist groups on both the left and right of Israeli politics.

"We have to put the fringe groups outside of society to crack down on them with all the force of the law," he said.

Mrs. Rabin said she thought

ability to continue the peace process agreed upon."

Indeed, Israeli and PLO negotiators moved Tuesday to resume discussions in the West Bank town of Jenin on turning over control to the Palestinian Authority led by Mr. Arafat.

Mr. Peres said Israeli troops restarted their pullout from some areas of the West Bank under agreements struck before Mr. Rabin's murder.

A senior Palestinian official, Brigadier General Ziad Atrash, said Palestinian police would arrive in Jenin this week. Israeli troops are to complete their withdrawal from the town by Nov. 14 under the agreements between the governments.

The first and most sensational political consequence of the assassination was to put the conservative Likud bloc and its 45-year-old leader, Benjamin Netanyahu, on the defensive against charges that Likud's tolerance for right-wing vitriol

had created the medium in which the killer was spawned.

Mr. Netanyahu fiercely rejected the charges, while others on the right asserted that the left was no less responsible for the bitterness of the division than the right.

Bitter as the recriminations were, politicians on both sides assumed that the setback to the right would not necessarily last through the 12 months remaining before elections scheduled for November 1996. That in turn focused intense speculation on how the acting prime minister, Shimon Peres, would shape his cabinet, his image and his policies.

Militant Laborites were said

to have urged Mr. Peres to call

elections as soon as possible —

By Glenn Frankel
Washington Post Service

For more than two decades Shimon Peres and Yitzhak Rabin were Israel's odd couple: wildly different personalities who were bitter rivals for power within their political party, uneasy leaders in government and, finally, determined partners in guiding their way nation in a fragile, risky peace process.

Mr. Rabin was the ruthless pragmatist, Mr. Peres the relentless dreamer. The first time they were ministers in the same cabinet in the 1970s, they tore each other apart and led their Labor Party to defeat. Together, as older men, they led their country toward a new era.

Now Mr. Peres is alone. Following Mr. Rabin's assassination, Mr. Peres has returned to the prime ministry, the office he held for two years in the mid-1980s and spent a decade attempting to recapture. But Mr. Peres is a far less popular politician — he lost three Israeli elections and scraped out a tie in a

fourth. And he faces challenges that are all the more daunting because he has lost his key ally, the man who took Mr. Peres's vision of peace with the Palestinians and sold it to Israelis.

In the short term, observers say, Mr. Peres will undoubtedly ride a wave of unity. But he faces tough early choices.

NEWS ANALYSIS

He must decide which of the ruling Labor Party's young lions he will appoint as deputy prime minister and of defense minister — Israel's most powerful cabinet post — which Mr. Rabin held. He must decide if and when to call a national election, due in a year.

Mr. Peres must also decide whether to pursue a peace accord with Syria that would entail withdrawing from the strategic Golani Heights, a move that a majority of Israelis in poll after poll have opposed. And next May he faces the opening of "final status" talks with the Palestinians in which all of the issues he

and Mr. Rabin managed to put off — the status of disputed Jerusalem, of the West Bank's Jewish settlements and of Palestinian refugees who want to return to their homeland — will be on the negotiating table.

Most of all, Mr. Peres faces the task of reuniting a divided country that has been shaken and bruised, first by a series of Palestinian suicide bombings of passenger buses over the past 18 months, and now by the loss of Mr. Rabin, a leader who had served twice as prime minister and defense minister and as chief of staff of the army.

With Mr. Rabin's death, Mr. Peres becomes the last Zionist patriarch. Like Mr. Rabin, he has been on the Israeli political scene for more than two generations, ever since the founding of the state in 1948.

Now 72, he has served twice as prime minister and foreign minister, as finance minister and as director general of the Defense Ministry.

He is well-known and highly respect-

ed abroad and he won high marks at home during his previous two-year term as prime minister. Yet he has never enjoyed the credibility and popular support that Mr. Rabin — who won two elections — could muster.

Part of his problem stems from the many palace intrigues Mr. Peres engaged in with elders in the Labor Party during his younger days, when he was considered the henchman for Israel's founding father, David Ben-Gurion.

The difference between Mr. Peres and Mr. Rabin was on display in the days before the Nobel Peace Prize was announced earlier this year.

With an eye toward history, Mr. Peres had his supporters lobby intensively for him to be included in the award, which was given jointly to him, Mr. Rabin and the Palestinian leader, Yasser Arafat.

Mr. Rabin, by contrast, expressed regret over the award, saying he feared Israel would not be impressed and that he would gladly trade it for the lives of those killed in the bus attacks.

Fierce Politicking in Israel Simply Won't WaitBy Serge Schmemann
New York Times Service

JERUSALEM — Though the week of formal mourning for Prime Minister Yitzhak Rabin was supposed to preclude overt politicking, the abrupt exodus from the political stage of so dominant a figure immediately touched off furious maneuvering among politicians, speculation in the press and mutual recriminations between opposing political camps.

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had created the medium in which the killer was spawned.

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Militant Laborites were said to have urged Mr. Peres to call elections as soon as possible —

Israel proper, ordered after the assassination.

In the immediate aftermath of the killing, the most dramatic accusations against the right came from Mr. Rabin's widow, Leah, who gave Mr. Netanyahu an obvious cold shoulder after her husband's body was buried Monday, and declared in one interview after another that she did not want to shake his hand, and held the right to blame for the division of the nation.

"If you ever heard their speeches at the Knesset, you would understand what I mean," she told America's ABC television network. "They were very, very violent in their expressions."

Mrs. Rabin's charges were striking proof that bitterness

over the fundamental disagreement among the Jews on the fate of the West Bank had not been soothed by Mr. Rabin's death.

The dispute is at the heart of the rift in Israeli society, at the extremes pitting those who believe that the West Bank is an inherent and indivisible part of the Land of Israel, the biblical provinces of Judea and Samaria, and those who believe that Israel can only become secure and whole when it ends the occupation.

It is this issue, and this issue alone, that determines the political spectrum in Israel: To be against ceding the lands is to be on the right, to seek a rapid withdrawal from all the lands is to be on the left.

Slowly, the Peace Process Is Getting Back on TrackBy Youssef Ibrahim
New York Times Service

JERICHO, West Bank — Talks over the redeployment of Israeli troops out of Palestinian cities and villages started again Tuesday, ending a freeze that began shortly after the assassination of Prime Minister Yitzhak Rabin on Saturday.

But the move, announced at the end of a news conference dominated by the domestic political ramifications of Mr. Rabin's death, failed to relieve a rising and palpable anxiety among Palestinians that the events of the past few days will, once more, delay the larger peace process.

That process is supposed to lead them by January 10 to an elected Palestinian government in the West Bank and Gaza Strip and a significant measure of independence from Israeli rule.

And Palestinians, who by and large were locked out of the international gathering this past weekend of a host of heads of state, government representatives and other foreign dignitaries for Mr. Rabin's funeral in Jerusalem, are fearing that their aspirations are again taking a back seat to Israel's desire to forge stronger ties with other Arabs. They are particularly concerned about Jordan, which until 1988 had nominal authority over the West Bank.

"We have not stopped anything. We are going full steam ahead; preparing for elections, the arrival of Palestinian police to West Bank towns to replace Israelis and to all the other items negotiated with Israel to empower us over our destiny," said Saeb Erakat, the Palestinian Authority's minister for local affairs.

"It is the other side that has put everything on hold," he added. "We

have lost three precious days of a very tight schedule and I fear another delay, another appointment could be missed."

Other senior officials of the Palestinian Authority, speaking privately, said their concerns now were far-reaching.

Among other things, they said, King Hussein's presence in Jerusalem and the effusive reception given him by Israeli officials raised the specter of the 60-year-old Jordanian monarch reviving his appetite to play a major role in controlling the West Bank, which his government officially renounced in 1988 and which has been occupied by Israel since 1967.

The officials, all of whom spoke on condition of anonymity in order to avoid negative repercussions from Israel, also said that they were far from sure that Shimon Peres, the acting Israeli prime minister, could stand up to rightist army commanders and the Israeli intelligence

community, who oppose turning over the West Bank to Palestinian control as Mr. Rabin, given his awesome military credentials, was able to do.

"Whenever something goes wrong in Israel, we are always the first to pay for it," Mr. Erakat said. He was in his office here, which is located above a printing press that has been running 24 hours for the last three days spewing out registration forms for the Jan. 20 elections that most Palestinians have come to regard as the start of empowerment toward independence.

"I say to the Israelis: Please give peace a chance," Mr. Erakat said.

In Cairo, where he was to hold talks with President Hosni Mubarak, Yasser Arafat, the leader of the Palestinian Authority, also expressed anxiety about the slowing pace of the peace process, urging Mr. Peres to revive the momentum under way before Saturday's events.

Berlusconi Associate Faces Trial**Whitewater Panel Puts Bentsen on Spot**

Reuters

WASHINGTON — Former Treasury Secretary Lloyd Bentsen on Tuesday defended his action in turning over Whitewater inquiry transcripts to the Clinton White House, but other officials said it was inappropriate.

Mr. Bentsen returned to Capitol Hill to testify before the Senate Whitewater committee 15 months after he first testified at hearings into the affair, which is probing the ethics and legality of tangled business and political affairs involving Bill Clinton and Hillary Rodham Clinton.

Mr. Bentsen said investigators transcribed by the inspectors general of the Treasury Department and the Resolution Trust Corp. had been sent to Lloyd Bentsen's Fininvest empire.

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Mr. Bentsen involved the

ment and the Resolution Trust Corp. had been sent to Lloyd Bentsen, then the White House special counsel, in the summer of 1994 on condition that they not be shown to anyone else.

But the committee chairman, Alfonso M. D'Amato, a New York Republican, said that a partial transcript of the investigation had been provided to the lawyer for a potential witness.

The investigation was among several being conducted into improper contacts between Treasury Department and White House officials over an investigation by the Resolution Trust Corp., a federal agency overseeing failed thrift institutions, into Whitewater.

Clinton's investment in a failed Arkansas land development when he was governor of that state. But the investigation has since branched out to cover a complex web of financial matters not directly involving the Clintons.

Mr. Bentsen, who testified on Whitewater in August of 1994 and left office last December, said he did not recall whom he consulted before permitting transcripts to be sent to Mr. Cutler, who was conducting his own investigation of the White House-Treasury contacts. But he said he had been satisfied he acted properly and within his authority doing so.

Mr. D'Amato sharply ques-

tions whether it was proper for

an agency to make the information available to people under investigation, saying it was possible that witnesses could be briefed so they could "tailor" their testimony. "And that is in fact what took place," Mr. D'Amato said.

Mr. Bentsen insisted he had restricted the information provided to Mr. Cutler, but Mr. D'Amato said that it had been passed on to the lawyer for a White House potential witness.

During a break in the hearing, a White House spokesman, Mark Fabiani, said the potential witness had been Mrs. Clinton's press secretary, Lisa Capputo. He said she had received a summary of a deposition by a Treasury spokesman.

Powell Speech Leaves Everyone Guessing

New York Times Service

PHILADELPHIA — Colin Powell came, he spoke, he split the scene at a travel agents convention here Tuesday without giving any hint about whether he planned to run for president.

Republican and Democratic politicians are still waiting for the retired chairman of the Joint Chiefs of Staff to solve the mystery that has enveloped the early stages of the presidential race.

He is in?

Or has he opted to remain on the sidelines next year and pursue other public service options?

At the last stop of his book tour in Norfolk, Virginia, last month, General Powell said he would announce his decision sometime this month.

His speech Tuesday was a compendium of inspirational themes and contemporary parables that he said should guide Americans and give them hope.

Out of the party's movement for smaller

government, he said, Americans ought to expect less from government and have compassion for those who might be hurt in the transition.

Republican and Democratic politicians are still waiting for the retired chairman of the Joint Chiefs of Staff to solve the mystery that has enveloped the early stages of the presidential race.

General Powell recounted how a young soldier, just days away from taking part in the Gulf War, responded when he was asked by a

EDITORIALS/OPIION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Jobs or Benefits?

Among all the world's industrial countries, the American wage pattern in recent years has been unique. Elsewhere, throughout Western Europe and in Japan, the average wage has risen significantly in the past decade and even the lowest wages are up. In the United States, after inflation, the average wage now is exactly where it was in 1985. That is clear in the wage and compensation statistics for the July-September quarter published by the Labor Department. Worse, for people with less than average earnings, wages are now actually lower than they were at the end of the 1970s. That is not happening abroad, either.

The reason is much stronger regulation of the labor market, especially in Europe, with higher minimum wages and greater job security built into law. That is true even of countries like Britain and Germany, where conservative governments have been in power continuously for many years.

But Europe pays a price for it in unemployment. Rigid labor markets have produced an unemployment rate in Western Europe of 11 percent, twice the 5.5 percent rate in the United States. The comparison between Europe and North America illustrates a tormenting trade-off between higher wages and more jobs.

There also seems to be a trade-off between greater wage equality and more jobs.

The United States is the world's leading example of a country that has chosen to go for a low unemployment rate, accepting the consequences in wage stagnation and a growing disparity between the highly paid and the poorly paid. The great example of the other choice is France, where the government is now desperate to get unemployment down but is unwilling to touch the labor laws and benefits that keep it high.

Which alternative is better, the American or the French? High unemployment, persisting over many years, is bad for a democracy's health. So is a steadily widening gap between rich and poor.

The forces producing this dilemma are, in historical terms, recent. They have arisen only during the past 20 years or so, and seem chiefly to reflect changes in technology that make educated and skilled labor much more valuable, and unskilled labor increasingly less so. For America the solution is not French-style protective legislation but a national effort to persuade young Americans to take education seriously—and to ensure that, regardless of their families' incomes, they have access to it.

—THE WASHINGTON POST.

Rabin's Example

Eyes on Mount Herzl

The eyes of Israel and much of the world were on Mount Herzl in Jerusalem on Monday as Yitzhak Rabin — soldier, political leader, peacemaker and the last representative of a founding generation that literally created the state of Israel with its bare hands — was laid to rest. He embodied Israel's modern history. He was successively underground fighter, soldier in the war of independence, architect of victory in the six-day war, prime minister and Nobel Peace laureate. He was the nation's first native-born prime minister and its first to fall victim to assassination.

King Hussein of Jordan captured in his presence and his words Mr. Rabin's final contribution as a pioneer of regional peace. He spoke of "a brother, a colleague, a friend, a man, a soldier," a man whom he trusted although they stood for so long on opposite sides of a great divide. Identifying the assembled dignitaries from some 80 countries as "the camp of peace," the king beseemed them: "Let's not keep silent. Let our voices rise high to speak of our commitment to peace for all times to come."

Joining him were the president of Egypt and the president of the United States, the prime minister of Russia and the prime minister of Britain, the secretary-general of the United Nations and the president-elect of Georgia, the chancellor of Germany and the chief aide to Yasser Arafat. It was the broadest such gathering ever assembled in the Middle East, testimony to the investment that so many countries have in seeing Mr. Rabin's initiative through to completion.

That task will fall mainly on the shoulders of Shimon Peres, Mr. Rabin's longtime rival in politics, then chief partner in government and now acting prime minister. Having shared fully in the diplomatic achievements of the last three years, he is well suited for the job. His

but, having stared into the abyss of assassination, Israelis must take a hard look at those who would press their case through weapons rather than words. This applies especially to the extremist wing of the West Bank settlers' movement, a movement that Mr. Rabin bent over backward to accommodate in his peace arrangements but that never respected his democratically won authority. All of Israel's political parties and its people have an interest in seeing that debate remains focused on issues rather than on demonizing individuals, and that it retards confined to peaceful channels.

Mr. Rabin was, finally, a complicated man, whose greatest quality was perhaps his continuing ability to learn and grow. He leaves behind an equally complicated country. The finest homage it could pay him is to learn from his example of courageous leadership and grow from the tragedy of his untimely murder.

—THE NEW YORK TIMES.

Challenge for Peres

As Israel mourns the slain Yitzhak Rabin, his longtime peer, rival and, finally, comrade Shimon Peres takes over as acting prime minister. Few countries have such a formidably equipped No. 2 standing by. Yet, although he has occupied Israel's highest political posts and enjoys international stature, Mr. Peres faces challenges even within his own Labor Party. Only in security-hyperconscious Israel could this result baffle the architect of a national nuclear bomb program.

The fact is, his lack of military experience and his reputation as a visionary are, in the current context, partly political burdens. He must persuade citizens to take the further risks of a peace policy that was already visibly straining Mr. Rabin's demonstrated political powers.

Don't count on the martyrdom of Yitzhak Rabin to give his successor a respite at home. Israel is a democracy, and democracy requires full debate on the existential questions that are Israel's unique and unavoidable daily fare.

Can the debate regain a degree of civility that has been absent from it in recent times? That is the question. The Likud opposition is a democratic party operating under the law, but it encourages a kind of insurrectionary rhetoric.

—THE WASHINGTON POST.

Peres Has Peace Work to Do With His Own People

By A. M. Rosenthal

NEW YORK — God has given. God has taken away. Blessed be the name of the Lord. Now, after those words spoken over the grave of Yitzhak Rabin, the prayer for all who hold Israel dear should be this: May He give special strength and sensitivity, both, to Shimon Peres.

At the moment of the assassination, two responsibilities fell to Mr. Peres. So far, the world focuses only on one — to continue the work of creating peace with the Palestinians and other Arab societies.

At the funeral, one of the Rabin-Perez achievements could be seen by all people: Jordan's king and Egypt's president in Jerusalem, to pray, to grieve and to hope with Israel. But when the week of mourning ends, perhaps before, Mr. Peres will face the other responsibility.

It is to be the sensitive peacemaker not only with the Arabs but with that large part of Israeli society that fears the way the peace negotiations were carried out and are unfolding.

The decisions that Mr. Peres makes on how to deal with the depth and reality of

these fears — or whether to deal with them at all — will have much to do with whether the peace process becomes peace reality.

For more than two years, ever since Labor began negotiations with the Palestinians, there has been much searching talk between two sides — the Israeli government and the Palestine Liberation Organization. But there has been almost none between the two sides within Israel, Labor and Likud. Their supporters have exchanged oot ideas but bitterness.

The Israelis did not suddenly become the world's nastiest nation. But they have been facing choices that no other nation was asked to make. They were called upon to give up territory that all of its leaders, Labor and Likud, insisted for decades was essential to Israel's existence.

Labor came to see the choice of peace for land as the beginning of a fine new future for the nation. Labor's opponents saw it as the beginning of the end for the

nation. As it would in any country, this nation-racking choice brought out the good and the foul on both sides. The disaster was not that each side threw invective at the other but that the leaders did not try hard enough to stop it.

The ugliness became the sour, self-destructive substitute for discourse. The man who murdered Mr. Rabin acted out of that disease of soul that allows a killer to think he is God's avenger. But who can believe that the vicious "traitor" campaign against Mr. Rabin might not have added to the murderer's evil self-righteousness? The epithets came from the fringes of the right, true. But it was there that he lived.

Labor also used invective and insult. Its leaders and spokesmen, not just its fringes, often treated those who disagreed with them as enemies of Israel, cancers, parasites. There is no value in trying to judge each side's relative responsibility in befoiling Israeli life.

In Washington, Prime Minister Rabin said to Jew and Arab: Enough blood and tears, enough. Now, between Israeli and

Israeli, enough hate, enough weighing of insult against insult.

I believe that the outlines of the Rabin-Peres plans are becoming irrevocable — the transfer of territory and authority — unless Palestinian towns become havens for terrorists. But Israelis who see the plans as the destruction of Israeli safety have the right to try to change them — through civilized use of the democratic system.

Benjamin Netanyahu, the Likud leader, took one such step by calling for unanimous approval of Mr. Peres as prime minister. And Itamar Rabinovich, the Israeli ambassador in Washington, appointed by the Rabin government, immediately thanked him on television.

But it is Mr. Peres who has the critical responsibility for giving Israelis who fear the specific peace proposals — about half the country — as much attention, courtesy and flexibility as Labor has given to the talks with the Palestinians. I called friends in Israel to ask if Mr. Peres would do it. They said they hoped and prayed so.

The New York Times.

Sane Words of Reconciliation on a Bloodstained Song Sheet

By Jim Hoagland

NEW YORK — Bill Clinton, King Hussein, Viktor Chernomyrdin and the others spoke for the family of nations at the funeral of Yitzhak Rabin in Jerusalem on Monday. It was Mr. Rabin's granddaughter and a trusted aide who spoke for the slain prime minister on this tragic day in the Middle East.

With the world's television cameras trained on her, Noa Ben-Artzi fought back tears as she began her brief, poignant eulogy to her grandfather: He had been "the pillar of fire" for his family and his community, who were cast into darkness and the cold by his murder.

Her grandfather would have been proud of that discipline. But I suspect he would have been even prouder of the 17-year-old's eventual surrender to grief and tears, to the universal emotions that acknowledge loss and the common humanity of prime minister and peasant, of Arab and Jew, of all mankind. Mr. Rabin made a similar transition from discipline to acceptance in his final years.

It is the efforts of liberation, only partially achieved at his

death, that made Mr. Rabin a giant in life and an enormous loss in death not only to his family, to Israel and to Jews everywhere, but also to mankind.

In his final years, he found — or perhaps finally displayed — a brooding concern for the soul of his nation that seemed simultaneously to weigh him to the earth and lift him into greatness. Henry Kissinger put it well in a television interview during the funeral, calling Mr. Rabin's public statements of the past two to three years "biblical."

Mr. Rabin's voice gradually became that of a man who had somehow glimpsed what eternity means. He sought, at times eloquently and at times in fumbling fashion, to explain to his countrymen and the rest of us.

But with the end of the Cold War and of radical Arab nationalism five years ago, he changed and turned his energies to trying to liberate Israel from the burdens of war and occupation.

It is the efforts of liberation, only partially achieved at his

35 years who spoke last at Monday's memorial service.

Mr. Haber eagerly played Sancho Panza to Mr. Rabin's Don Quixote through times hugely thick and spectacularly thin. His final tribute argued that it is wrong to think of Mr. Rabin's murder as a senseless act. It leaves us hanging in a void, clutching at a falling sky; but the killing makes sense in the tribal politics of the Middle East.

Mr. Haber recounted how Mr. Rabin had on Saturday night carefully folded into four equal parts the song sheet he had used at that fatal Peace Now rally and put it into the breast pocket of his jacket. I felt the combination of his death, that made Mr. Rabin a giant in life and an enormous loss in death not only to his family, to Israel and to Jews everywhere, but also to mankind.

It is the efforts of liberation, only partially achieved at his

come in peace (since that cannot be taken for granted). For Arabs and Israelis, the blood of martyrs is not a historic or religious formula as it is for many in the West. For them, it is constant reality.

Mr. Rabin had hoped to move the region beyond this tribalistic era. His death shows how much remains to be done, not only by Israelis and Arabs but also by Americans, Europeans and others with deep human and economic interests in the Middle East. Those interests cannot be ignored or sacrificed in the current mood of neo-isolationism that grips a number of countries.

There are no words, thoughts or policies that can make up to Mr. Ben-Artzi, Eitan Haber and all those who loved Yitzhak Rabin for what they have lost. There will be no new pillar of fire in their lives. But there can and should be a new commitment by the leaders of the region and the world to rekindle the sense of decency and common humanity that Yitzhak Rabin manifested in his final years.

The Washington Post.

There Is No Choice but to Try to Give Open Trade a Good Name

By Keith S. Collins

WASHINGTON — Stop the average person in the United States and ask him what he has used today in the way of appliances, clothing, food, transportation. Chances are that by noon he has already handled a dozen things that were made, wholly or in part, overseas. Yet ask him what he thinks of free trade, and may just spit in your face. Go figure.

Not just in America but around the world, people are dragging their heels when it comes to liberalizing trade. And without the people behind it, a universal trading system is ultimately doomed.

The anti-trade message has charged across the American mental landscape to the point where today, "job export" is no longer an esoteric economic concept but a part of the populist emotional vocabulary.

Real wages have declined in

America in the last decade, while more and more companies manufacture with cheaper labor overseas. Corporations "downsize" and thousands of workers lose their jobs, as the companies must cope with increased international competition.

Whether or not cause-and-effect relationships exist here, the perception of connections is what counts. Trade opponents exploit perceptions to paint a picture of diminishing American sovereignty and disappearing middle-class stability caused by an international trading system run amok.

Trade has not been an issue in American political campaigns of late, but that could change in 1996. Pat Buchanan, who is in second place behind Bob Dole in the amount of money he has raised for his presidential campaign, is drawing enthusiastic crowds with his pledge to take the United States out of NAFTA and the World Trade Organization.

The growing fear of trade is producing unexpected alliances, such as the Citizens Trade Campaign, a coalition of right-wing "trade patriots" (many of them former Perot supporters, who see institutions like the WTO as threats to U.S. freedom) and left-wing labor and environmental activists (who likewise distrust a system that seems to subject their most precious interests to international control). They are uniting under the wing of consumer activist Ralph Nader.

These people may be political fringe elements, but together they can be a force. It is not in corporate boardrooms and government offices but in factories and neighborhoods that the fate of the free trading system will be decided.

As Sir Leon put it, we must "convince those who hold ultimate power in a democratic system that open trade is fair trade."

Second, we must take advantage of our strengths by better integration of human intelligence collection with our superb technical collection capability.

Third, we must improve our management of agent recruitment and operations to emphasize quality in agents and in their reports.

Fourth, we must improve the process of career development at the CIA to ensure that we continue to attract and retain the very best people for the clandestine service.

Finally, we must carry out all of our activities with integrity and be accountable for our actions. It goes without saying that this means being honest with ourselves and with our customers about the intelligence that we collect.

We have management actions in place to achieve all this. And, although it may come as a surprise to regular readers of the popular press, the people of the Directorate of Operations are already making the strategic and operational adjustments necessary to address the mistakes of the Ames era and the changing threats that the nation faces.

These professionals are both capable and motivated. They face daily risks to protect their country. I disagree with those who believe that change requires either massive reorganization or massive dismissal of personnel.

Now it is time to devote our energy to seeing that the necessary changes under way are fully implemented and to attacking the hard intelligence problems that face the country.

At the Post-Ames CIA

WASHINGTON — My report to Congress on the damage inflicted by Aldrich Ames during his eight years of spying for Soviet and Russian intelligence has underlined the devastating harm he did to U.S. intelligence and security interests. The extent of the damage was due mostly to inexplicable laxity on the part of the professionals of the Directorate of Operations and others at the CIA. It is an intelligence calamity of massive proportions.

We must now move beyond the horror of the Ames case. Our future direction should be determined by post-Cold War threats, not by the old Soviet threat and not using the inexcusable intelligence practices that have been shown by the Ames case to be both ineffective and inappropriate in today's world.

What are the intentions of the political leadership of foreign adversaries? What are the plans that are hatched daily against Americans in terrorist cells in distant parts of the world? What actions can we take to stop the acquisition of nuclear, chemical or biological weapons by rogue states?

These are important questions that only a clandestine service can answer. It would be folly of a high order to abandon the CIA's clandestine service at this point in history.

The measures needed to re-establish the only world-class clandestine intelligence services are straightforward and compelling.

First, we must focus our efforts on the hard intelligence questions of critical importance to our "customers" in the White House, the State Department, the Defense Department and the Justice Department.

Second, we must take advantage of our strengths by better integration of human intelligence collection with our superb technical collection capability.

Third, we must improve our management of agent recruitment and operations to emphasize quality in agents and in their reports.

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Now it is time to devote our energy to seeing that the necessary changes under way are fully implemented and to attacking the hard intelligence problems that face the country.

—From comment in *The Washington Post* by John Deuch, director of the Central Intelligence Agency.

trade helps to solve the problems, will be much more effective.

If we don't act soon to defend trade at the grass-roots level, this issue will move beyond stopping, and the urge to do something drastic to "protect" workers may overwhelm government bodies around the world.

American and European CEOs will be

OPINION/LETTERS

Heading Into '96 Election, Both Parties Face Trouble

By David S. Broder

WAshington — The 1996 U.S. election is now less than a year away and both major parties confront serious problems. The Republicans do not have a presidential candidate who matches the profile the public is seeking. The Democrats do not have a unifying goal strong enough to break the dizzying decline of their institutional structure.

The Democrats' problem is fundamental and will take more time to remedy. But it is the Republicans who will suffer most from the candidate problem next November.

Along with five colleagues from The Washington Post, I am just back from an extensive round of voter interviewing in swing precincts — the kind that gave Bill Clinton the votes to beat George Bush in 1992 and then in 1994 boosted the Republicans into their new majority in the House of Representatives.

The twin elections, ending 12 years of Republican occupancy of the White House and 40 years of Democratic dominance on Capitol Hill, have dissipated some of the voter anger that has been so strong. But there is only tenuous approval of either the president or Congress and a pervasive sense of dissatisfaction with the leadership on display at both ends of Pennsylvania Avenue.

That much, I think, all of our reporting and a concurrent Washington Post national poll clearly demonstrated. Speaking only for myself, the impression I have is that these swing voters want something they do not see: a president who will pursue the main thrust of the Republican agenda for scaling back government and seriously reducing the deficit, but in a way that is genuinely mindful and protective of those who may be hurt in the process.

The "Contract With America" is closer to what they want than President Clinton's forgotten 1992 "New Covenant." If, at the end of the budget negotiations, people can see that Washington is finally curbing its appetite for taxes and spending, the Republicans should be able to retain and perhaps even expand their newly won congressional majorities.

But the comments about those Republicans — and especially their most visible leaders, the House speaker, Newt Gingrich, and the Senate majority leader, Bob Dole — betray a real anxiety that vulnerable Americans are going to be crushed in the budget-cutting machine.

Mr. Gingrich strikes many of the swing voters as self-centered to the

point of arrogance. The private, compassionate side of Senator Dole (which I myself would testify to) is hidden behind his brusque, sometimes blunt public style. Were the Republicans to nominate a more openly caring person for the White House, this might not matter so much. But voters have not discovered that person in the present Republican field.

Jack Kemp might have filled that niche, had he not taken himself out of contention. The former Housing and Urban Development secretary has voiced a fervent commitment both to holding down taxes and to raising the hopes and prospects of those mired in poverty or dead-end jobs. That combination would be reassuring even to many voters who are themselves more comfortably fixed but who worry about the social effects of the Republican "revolution."

But if the Republicans do not have their ideal candidate running, the Democrats have a far more basic problem. No one knows what they — or their leader, the president — stand for. Mr. Clinton's performance on the classic questions of peace and prosperity commands grudging respect, even from some who did not vote for him. But a third of the electorate, at least, will never support him, no matter what, because they distrust or despise his character.

And many of the others view his recent efforts to establish himself as a sort of Democratic Kemp — basically in sympathy with downsizing government and cutting taxes, but doing it with heart — as a dubious reincarnation by a man who has at other times been a new John Kennedy, a new Harry Truman or a third Blues Brother.

If voters are confused — and therefore uncertain — about Mr. Clinton, they are almost clueless about the Democrats as a force in Congress or the country. Mr. Clinton virtually has divorced the congressional Democrats. His dealings — whether conciliatory or confrontational — are with the Republican leadership. And those congressional Democrats have not learned to speak with any kind of strong, unified voice for themselves.

The accelerating exodus of Democratic senators and representatives announcing their retirement plans, and the continuing signs of weakness at the state and local level, confirm the public impression that this is a party badly in need of major repairs.

Washington Post Writers Group.

Ignore Those Ink-Stained Ingrates: Journalism Lives

By Richard Harwood

WASHINGTON — It is difficult to tell from the work of analysts whether journalism as we know it in the United States is in a period of terminal decline or is merely going through one of its cyclical periods of malaise and loss of verve.

Newspapers and the communications industry in general are economically sound. Newspapers are healthy; the labor force is highly educated, skilled and generally competent.

MEANWHILE

The time devoted to news on radio and television and the space in newspapers and magazines is greater than ever before.

The "autonomy" of journalists in pursuing their craft and their freedom to interpret, explain and comment on the news is unparalleled in U.S. history. Technology, while somewhat threatening to traditionalists such as myself, has expanded our reach around the world to a point where "information overload" is a common complaint. Nevertheless, there is an apocalyptic tone to much of the commentary and speculation about the present health and future prospects for the news business.

Michael Crichton, author of "Jurassic Park" and other thrillers, says: "The American media produce a product of very poor quality. Its information is not reliable; it has too much chrome and glitz; it's door-rant; it breaks down almost immediately, and it's sold without warranty. It's flash

but it's basically junk. So people have begun to stop buying it."

Kathleen Hall Jamieson, dean of the Annenberg School of Communications at the University of Pennsylvania, believes "journalists are now creating the coverage that is going to lead to their own destruction."

Howard Kurtz, media critic of The Washington Post, has written that "the smell of death permeates the newspaper business these days."

These quotations are from a recent essay by Ellen Hume, a senior fellow in the Annenberg Washington Program of Northwestern University. They are used to validate her concerns about the quality of contemporary journalism, the alienation of the audience and the erosion of technology of journalists' status.

An important concern, she writes, is "the apparently endless flow of scandals and feeding frenzies [in the press] that has damaged, rather than enhanced, journalism's credibility." This is also the theme of an essay by Paul Strobin in the Columbia Journalism Review. Its title is "Generation of Vipers," a shorthand description of those who have created a "journalism rooted in a deep and abiding cynicism, a reflexive suspicion of face-value motives" to people in public life.

Cynicism, "in its most corrosive form,

can produce journalists who have a diminished view of their profession and of themselves," he wrote. "Worse, it can damage readers and viewers and, thus, democracy."

Malaise is the subject of a piece in the American Journalism Review by Carl Sessions Stepp of the University of Maryland. The title is "The Thrill Is Gone — The Era of Newspaper Angst." The good old days have vanished, he writes — the days when the journalist mattered, idealism prevailed and people paid attention to what we had to say.

There are three threads to such critiques. The first is that in the search for profits, today's news corporations no longer value "good" journalism and have therefore imposed hurtful financial constraints on their newsrooms. The evidence for this indictment is thin. It is true that in the salaried days of the 1970s and '80s, when profit margins of 20 percent to 30 percent were common, editors were able to greatly expand newsroom budgets and staffs and to raise salaries significantly.

With the recession of the early '90s, there was a lot of budget tightening. At some papers — a minority — journalists lost their jobs. Other papers cut back on the space available for news and took a more partizan view of expense account lunches.

But taking that into account, the resources available for the coverage of news in 1995 are far greater than in any other era in the history of the American newspaper. Benjamin Bradlee recalls in his autobiography that when he became editor of The Wash-

ington Post in 1966, he had a budget of \$4 million and a staff of 303. There were only a handful of foreign and domestic bureaus. When he retired in 1991, the staff had more than doubled: 24 foreign bureaus and a half-dozen domestic bureaus had been created, and the newsroom budget had reached more than \$60 million a year and has since risen to about \$70 million.

Newsrooms at other large newspapers enjoyed similar largess. On a smaller scale, so did smaller newspapers in big chains as Gannett, which spends more on news gathering today than ever before.

A second cause for angst in newsrooms has been increasing competition from other media, including the new computer-generated on-line services. This process has been going on since the invention of radio and television. But newspapers survived and prospered and are likely to be beneficiaries of the new forms of communication that are coming along.

The third indictment is that the quality of contemporary journalism has been corrupted by "tabloidism," excessive cynicism and negativity toward institutions of all kinds. That problem cannot be traced to new technology or to the corporatization of the news business. Journalists continue to control the content and tone of the news we get. If they are filled with angst, self-pity and disappointment about the work of journalism and if the thrill and excitement have vanished, they might test the thrill and excitement of selling shoes.

The Washington Post

LETTERS TO THE EDITOR

Fanatic 'Missions'

The assassin of Prime Minister Yitzhak Rabin said he was on a mission from God. This is not exactly a new statement. We've heard it from fanatic Muslims wanting to kill the author Salman Rushdie. While the International Committee of the Red Cross (ICRC) supports all efforts to help the UN into the 21st century, it is concerned by the bruising amalgamation made in the article.

The article by Prime Ministers Brundtland, Carlsson, Oddsson, Rasmussen and Lipponen cannot go without comment from outside since it appears to put into question our internationally recognized mandate.

While the International Committee of the Red Cross (ICRC) supports all efforts to help the UN into the 21st century, it is concerned by the bruising amalgamation made in the article.

The first heard it in the movie "The Blues Brothers." The trouble is, the movie was a comedy. The rest, these damaged souls, always invoke some God to justify their actions. This is a God no one I know prays to. Let them find some other excuse for their deranged thinking. This one is worn out.

MARC D. EMORY.

Dallas.

A Red Cross Reply

Regarding "Updoring the UN Agenda: New Priorities for New Challenges" (Opinion, Oct. 23):

The article by Prime Ministers Brundtland, Carlsson, Oddsson, Rasmussen and Lipponen cannot go without comment from outside since it appears to put into question our internationally recognized mandate.

While the International Committee of the Red Cross (ICRC) supports all efforts to help the UN into the 21st century, it is concerned by the bruising amalgamation made in the article.

Certainly, the ICRC agrees that the political — and, if required, military — leadership needed to solve our planet's crisis belongs to the organization born of the 1945 UN Charter. We also recognize the fact that numerous UN bodies perform useful work in promoting economic and social development in countries free from conflict; that is, in relatively simple political environments where humanitarian aid is less likely to be controversial.

But in regions torn by conflict,

where humanitarian assistance is prone to become an active parameter in the ongoing conflict, the situation is very different. For this reason, humanitarian assistance has to be clearly separated from all other concerns, including peacekeeping operations.

This was recognized by the UN states themselves when, in 1949, they endorsed the Geneva Conventions — a body of international law conceived precisely to prevent humanitarian assistance from becoming a weapon or tool in the hands of a group party to a conflict.

The ICRC has long been seen as

the

guardian of the Geneva Conventions (and the two 1977 Additional Protocols, which strengthen and expand the conventions' fields of applicability), as well as the best instrument available to bring such assistance in a neutral and impartial manner — with, therefore, the best chances of reaching all people in need in the most difficult circumstances.

That the ICRC has been extremely active over the recent years no one

can doubt. It is an unfortunate reflection of the state of the world that our operational budget has increased manifold since 1985, involving more and more people and more and more aid.

In many instances, such as in Somalia, the ICRC was the only organization able to reach victims by virtue of its intrinsic nonpartisan and nonpolitical nature. Soon, we are to begin visiting prisons in Kashmir, where violence has been raging for many years. The Indian government has agreed to this operation precisely because it recognizes the ICRC's independence, neutrality and ability to respect confidentiality.

And so, the ICRC is worried by recent attempts by various governments to use humanitarian assistance to bolster or add credibility to political and/or military designs. We fear that the concentration of political, military and humanitarian powers in the bands of one organization will seriously weaken the Geneva Conventions.

Though the ICRC hopes the United Nations will continue to endorse global responsibilities leading toward the end of conflicts, it is convinced that manipulating assistance (using it as a "carrot" to induce political agreements, for instance) might cause increased suffering.

If the delivery of aid becomes, or is perceived as, conditional on the behavior of leaders, we will see situations where some victims "deserve" aid more than others. This would be intolerable. Consequently, if aid and the organizations delivering it are seen by belligerents (or populations) as partial, the very safety of aid workers would be at risk.

Therefore, military operations must remain distinct. In practice, this means that humanitarian assistance must remain independent from all those with political interest in a conflict — including the UN.

PAUL GROSSRIEDER.

Geneva.

The writer is deputy director of operations for the ICRC.

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NOKIA

A Star's Role in Washington

By Ken Ringle
Washington Post Service

WAshington — When the Washington Opera opened its 40th season with Verdi's "Luisa Miller" in the Kennedy Center Opera House, the company's glittering, globe-trotting new artistic director and de facto chief was half a world away in Vienna, singing another opera ("Herodiade") by another composer (Massenet) in another language (French).

Therein lies the central question facing the largest and most ambitious arts organization in the U.S. capital as it heads into its biggest-ever, \$12.7 million calendar for 1995-96: Can a once regional opera company now reaching for the cultural major leagues be driven there by remote control, even with such a global megastar at the controls as Plácido Domingo?

The answer, to reveal itself in the next few years, will depend on several related questions. Among them:

- Is Domingo actually driving or merely navigating?
- Who else is in the vehicle to help him?

• And, perhaps most important in this era of operatic gas guzzlers, how much fuel can he get his hands on?

Traditionally, the great opera companies of the United States have borne the personal stamp of a single impresario — Kurt Herbert Adler at San Francisco, Ardiz Krainik in Chicago, the late Rudolf Bing at New York's Metropolitan. For the past 15 years, to many, the Washington Opera was Martin Feinstein, the sometimes irascible, always visionary general director who built the company from a hopeful and experimental regional troupe into a contender for the nation's top operatic ranks.

Now Feinstein is retired — this season is the last he planned — and the company is

astray with reports and rumors about Domingo's ambitious plans. Next season, for example, the season reportedly will open with a 19th-century Brazilian opera in which he will sing the lead — a production to be televised nationwide.

There is talk of unprecedented collaboration with major European opera companies and stars, open-air summer concerts here by Domingo and other noted singers, production in 1997-98 of a new opera based on the Gabriel García Márquez novel "Love in the Time of Cholera," and even — somewhere down the road — a Washington Opera production of Wagner's "Ring" cycle, the greatest challenge of all.

Yet the question remains: With Feinstein retired and Domingo absent for virtually the entire season, who is running the Washington Opera?

In fact, it's being largely run by the same people who were running it when Feinstein was in charge. The former general director was a great delegator. As he frequently declared, perhaps his greatest contribution to the Washington Opera has been the staff he was able to build and retain, in contrast to the frequent staff turnover in many opera companies.

Of the 38 full-time staff members — the company payroll will swell to 380 at the peak of this season — the vast majority have been with the Washington Opera at least eight years. The two principal administrators have been in place 12 and nine years, and some company principals, like Hunter and the production director, Roman Terleckyj, predate even Feinstein. It is no small compliment to Feinstein that a world figure like Domingo, while planning a modest staff expansion, seems to anticipate no major housecleaning.

"I think one of the things that made the Washington Opera attractive to Plácido was the idea that he would inherit an ex-

perienced professional staff that could run the company in his absence," says Hunter. "The idea of administrative continuity is very important to him."

Closest to Domingo personally is Patricia Fleischer Mossel, a sixtyish onetime college English teacher, actress and model, whose passion for opera led her from volunteer fund-raiser to director of development at the San Francisco Opera in the late 1970s. Since coming to Washington in 1984 as director of development, marketing and public relations, she has transformed the Washington Opera from a debt-ridden financial wastrel into a financially healthy company with its own \$2 million development fund and a stable full of willing donors.

HANDLING the artistic side day to day in Domingo's absence is Edward C. Purrington, 65, a Holyoke, Massachusetts, native bewitched by opera since he "used to stage shows in the back yard" as a child. A 13-year staffer with the Santa Fe Opera and for 12 years general director of the Tulsa Opera, he came to Washington nine years ago as de facto artistic administrator under Feinstein.

Under Domingo, Purrington and others say, he's doing much the same sort of work he did under Feinstein — auditioning and negotiating with singers, weighing concepts in design and direction, and policing the mind-reeling maze of scheduling tasks involving everything from stage availability and rehearsal times to ticket subscriptions.

Instead of conferring with Feinstein in an office next door, however, he now communicates by fax twice a week with Domingo's secretary in Vienna. The secretary in turn relays information to and from the peripatetic tenor, who in any given week this season will be somewhere between Uruguay and Finland.



John Ramm and Matthew Kelly in Martin Duncan's production of "Doktor Caligari" at the Lyric Hammersmith.

Stylish Translations by the Met

By David Stevens
International Herald Tribune

NEW YORK'S Metropolitan must be the last of the world's major opera houses to adopt the projected translations of the texts sung in foreign languages, but it does so this season, and done it with style.

The subtiles or prettices — so called by analogy with the subtiles of foreign movies — are generally projected onto a small screen above the stage opening. They are almost uni-

versally detested by professionals and opera students who know their librettos, but just as overwhelmingly approved by the mass of ticket buyers. Singers are deranged by the laughter that greets a funny line delivered to the audience by proxy before it has been sung.

James Levine, the Met's artistic director and principal conductor, once said titles would be introduced in the house "over my dead body," but ways were studied so that the titles would aid those who want them without annoying those who don't.

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The result is a system that lets each spectator control his or her own small computer-like screen — two inches high by eight wide — usually mounted on the back of the seat in front. In boxes, with movable seats, they are mounted on swivels and they are also available to standees. The system, called Met Titles, cost \$2.7 million to study, develop and manufacture.

The recent new production of Tchaikovsky's "Queen of Spades" provided a good test — a relatively unfamiliar work being sung in Russian. It provided unobtrusive aid to those who wanted it with minimal disturbance to those who didn't.

The production was under the vibrant musical direction of Valery Gergiev, the Kirov Opera's artistic director, and had Ben Heppner in exciting form as the crazed gambler Hermann, Karina Matila an outstanding Lisa, and Leonie Rysanek in fine dramatic form as the old Countess. Elijah Moshinsky's production, designed by Mark Thompson and with lighting by Paul Fyant, effectively reduced the Met's huge stage with a picture frame inside the stage opening and concentrated the action with deep perspective.

The city's other musical hit of the moment is a splendid revival of Stephen Sondheim's 25-year-old "Company." Some, but not all, think George Furla's book, about a group of Manhattan couples who try to get an ambivalent bachelor friend to marry, is a bit dated. But there is nothing dated in the musical and verbal wit of such numbers as "The Little Things You Do Together," "Many Me a Little" or "Side by Side by Side." And the superb Roundabout company has no need of surtitles.

Time was when Broadway was self-sufficient, mounting its shows and opening in New York after short tryouts in other East Coast cities. But for several years now a symbiotic relationship has been developing

between Broadway and theaters throughout the country.

Two long-established theaters in San Diego have just staged productions that look as if they are headed for Broadway. The La Jolla Playhouse put on the premiere of "Randy Newman's Faust," in which the highly successful film composer transports the durable myth to middle America and presents the title character as Henry Faust, a feckless rock singer.

Newman's lyrics and book have some good moments, but the music is too innocuous to carry its share of the load, and when and if it reaches Broadway the show will probably have to be about 20 minutes shorter.

David Garrison as Lucifer, constantly plotting to get back into Heaven, is the show's pivotal character.

At the Old Globe, Sondheim and Furla are collaborating again, not on a musical this time, but on a nonmusical comedy whodunit called "The Doctor Is Out," reportedly due on Broadway in the spring.

The plot concerns a group of raving New York neurotics (if not psychopaths) who arrive for a group session at a psychiatrist's office. When the doctor fails to show (he is dead in the next room), the patients give full and hilarious reign to their various hang-ups.

John Rubinstein stars as the one supposedly stable character who seems to get away with mass murder in the end, but the entire cast is wonderfully quirky, lacking only some Sondheim musical wit to provide the finishing touch.

And New York is currently enjoying Steve Martin's "Picasso at the Lapin Agile," in the staging of Chicago's Steppenwolf troupe. Martin's conceit is that Einstein and Picasso meet in the Montmartre bistro in 1904 and compare notes on the nature of genius, mostly in the language of today. The joke is that who knows who these guys are, but the folks on stage do not.

BEST SELLERS

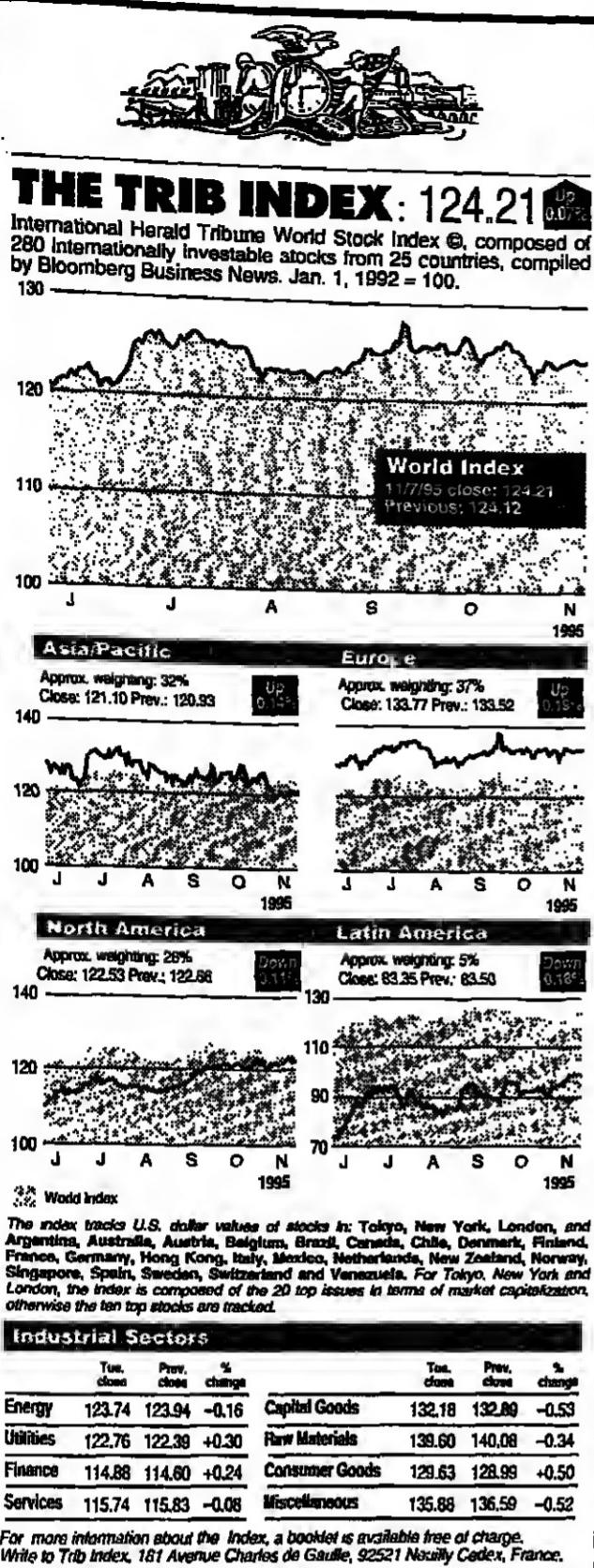
This Week		Last Weeks	Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	42

INTERNATIONAL Herald Tribune

BUSINESS / FINANCE

WEDNESDAY, NOVEMBER 8, 1995

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The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Japan, Mexico, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the top 20 issues in terms of market capitalization; otherwise the top ten stocks are tracked.

Compiled by Our Staff From Dispatches

Industrial Sectors

	Tue. close	Prev. close	% change		Tue. close	Prev. close	% change
Energy	123.74	123.94	-0.16	Capital Goods	132.18	132.09	-0.53
Utilities	122.76	122.39	+0.30	Raw Materials	139.60	140.08	-0.34
Finance	114.88	114.80	+0.24	Consumer Goods	129.53	128.99	+0.45
Services	115.74	115.83	-0.08	Miscellaneous	135.88	136.59	-0.52

For more information about the Index, a booklet is available free of charge. Write to Trip Index, 161 Avenue Charles de Gaulle, 92251 Neuilly Cedex, France.

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MEDIA MARKETS

Publishers See Roles Blurring

By Mary B.W. Tabor
New York Times Service

NEW YORK — When John Grisham's literary agent, Jay Geron, died in August, speculation about who his successor would be settled on David Gernert, Mr. Grisham's editor and editor-in-chief of Doubleday.

Few people, then, were surprised when Mr. Gernert announced last week that he was leaving Doubleday to set up a new kind of agency — both representing authors and midwifing other projects, from film scripts to CD-ROMs — with Mr. Grisham as his first client.

Though abandoning the higher calling of craft for the crasser precincts of marketing would once have been likened to literary treason, several editors have made the same jump, among them Joni Evans, Ed Victor and Giles Gordon, who all are now successful agents.

But the latest developments added a new twist: Instead of moving from editor to agent, Mr. Gernert, 39, will perform both functions simultaneously for Mr. Grisham — an unusual dual role and one that does little to ease publishers' anxiety about their role in the future.

"What this shows you is that in the last 10 years a lot of borders have eroded," said Mr. Victor, whose firm, the Ed Victor Agency, is based in London.

In recent years, publishers' identities have begun to blur as their craft has been increasingly overshadowed by business developments — mergers, new technology and discount retailing. At the same time, their role seems to have diminished. More of the discrete tasks once performed by publishing houses and the editors they employ — from nurturing

authors and serving as catalysts for ideas to revamping or polishing manuscripts to printing and marketing — are falling to outsiders.

Nontraditional publishers, like book packagers, the independent producers of the book world, have begun nudging their way onto the scene. The agent-as-editor seems to be a new extension of this trend.

It is a troubling development to some. The editor traditionally represents the publishing house's interests; the agent represents the author. While not mutually exclusive, the two roles can be incompatible.

The development also underscores the extent to which authors' loyalties have moved away from their publishing houses.

For his part, Mr. Grisham, known for his loyalty to Mr. Geron, is joining his new agent/editor in a partnership that has contractual, not institutional, ties to Bantam Doubleday Dell Publishing Group Inc.

Several agents say they do not mind helping shape a manuscript, suggesting themes or turns for a narrative, but that they have neither time nor inclination for wholesale editing.

In his new incarnation, Mr. Gernert, who has edited Grisham's five previous books, will edit Mr. Grisham's next two books, which are under contract to Bantam Doubleday Dell, a unit of Bertelsmann AG of Germany. Whether he can profit from the sale of the books' subsidiary rights, including film and television rights, is uncertain. After those two books, everything may be up for grabs.

For Mr. Grisham, the arrangement offers one-stop shopping. Contracts and commas can

See Books, Page 17

Police Hold French TV Executive

Compiled by Our Staff From Dispatches

PARIS — Patrick Le Lay, chairman of the private French television channel TF1, was detained by police Tuesday in a fraud investigation, the prosecutor's office said.

Mr. Le Lay, 53, was held by police after they searched his offices at Boulogne-Billancourt, west of Paris, in connection with a investigation into the case of Gérard Cole, who

was an adviser to former President François Mitterrand and the former head of Société Française des Jeux, which runs the national lottery and a number of scratch-card games.

Mr. Cole, who quit Société Française des Jeux in December 1993, has been charged with fraud, forgery and influence-peddling. A friend of Mr. Cole's, Dominique Galakoff, has alleged that TF1 paid 10 million francs (\$2 million) to Mr. Cole in return for exclusive rights to broadcast the lottery results.

Mr. Le Lay said TF1 had

never paid commissions. "All our contracts are clear and above board," he said. The state-owned TV channel France 2 was given the contract.

TF1 shares fell 6 percent, to 418 francs. (AP, Reuters)

Nomura Is Cool To a Daiwa Deal With Sumitomo

By Sheryl WuDunn
New York Times Service

TOKYO — A day after the financial community thought Daiwa Bank Ltd. might be saved by a white knight, Nomura Securities Co., Daiwa's largest shareholder, seemed to pour cold water on the idea.

The prospect of a merger between Daiwa and Sumitomo Bank Ltd. seemed to take the sting out of the sanctions and indictment imposed last week by U.S. regulators on Daiwa, where \$1.1 billion in losses were hidden by a trader in New York.

But in a meeting Monday between top executives from both institutions, Hideo Sakamaki, president of Nomura, told Takashi Kaiho, his counterpart at Daiwa, that Nomura might not support the merger, according to an account in the Mainichi Shimbun, a leading Japanese daily.

"As a leading shareholder, we cannot assent to the merger with Sumitomo Bank,"

Mainichi quoted Mr. Sakamaki as saying.

"We cannot give support to Daiwa if it will merge with Sumitomo Bank."

Other Japanese reports also suggested that Nomura may disapprove of a merger, although it is not clear whether Nomura could ultimately block a deal if the Ministry of Finance insisted on one.

A Nomura spokesman, who declined to give his name, refused to comment on the report.

"We are out in the position to comment about the reported merger because either bank has said the two will merge," the spokesman said. "It has just been media talk."

The newspaper reports did not offer any clear reasons Nomura would not support a merger.

Meanwhile, Japan's top economic planner expressed concern that Daiwa's expulsion from the United States could have wide-ranging effects and could even hamper the nation's economic recovery.

Isamu Miyazaki, who heads the Economic Planning Agency, said Daiwa's expulsion could have a "very bad psychological impact" on the economy, Kyodo News Service quoted Mr. Miyazaki as saying.

As a Supervisor, Bank of England Gets a Bad Review

Reuters

LONDON — A parliamentary committee strongly criticized the Bank of England's supervision of the banking sector Tuesday and suggested that its duties might be better transferred to a new independent authority.

But the central bank said it had a good track record as a supervisor.

In a report, the Treasury and Civil Service Committee questioned the central bank's handling of the collapse of Barings PLC and its ability to adapt to the complexity and pace of change of world financial markets.

"We are dismayed that the government can on the one hand claim that London is the best-regulated and supervised market in the world and on the other

have to concede that his supervisory staff actually have little real understanding what its charges are up to," the panel said, referring to Eddie George, the head of the central bank.

It said there was a need for a single authority to enforce cooperation between regulators.

Tokyo Disneyland Plans a Seaside Park

Compiled by Our Staff From Dispatches

TOKYO — The operator of Tokyo Disneyland, Oriental Land Co., said Tuesday it was talking with Walt Disney Co. about creating a theme park that would be built in Tokyo Bay.

Oriental Land, Disneyland International and Walt Disney Imagineering are planning to develop "Tokyo Sea Disney," a spokesman for Oriental Land said. More concrete plans should be ready by the spring of 1996, he said, adding that the companies were aiming at an opening in 2000 or 2001.

The spokesman said the theme park

would be built in Tokyo Bay, close to the existing Tokyo Disneyland. It would recreate coastlines ranging from a Mediterranean harbor to a tropical rain forest to an "Arabian nights" attraction.

Company officials declined to say how much the project would cost, but local media reports estimated the price would exceed 100 billion yen (\$968 million).

Michael Eisner, chairman of Disney, said Disney had not decided whether it would invest in the park.

It has a royalty arrangement with Oriental Land, which opened in 1983, and such a deal would continue for

the new park, he said.

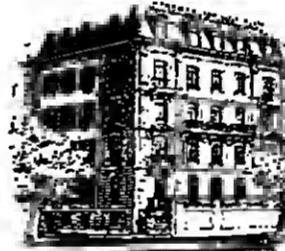
Mr. Eisner said his company was also "studying" the possibility of building a theme park in China and would visit both China and Southeast Asia.

But he added that Disney officials had "made no decisions so far."

While neither company said how much would be invested in the project, Oriental President Toshio Kagami said the company was considering a stock exchange debut to raise funds for the new park.

"We will have further discussions on the timing of the stock listing," he said. (Reuters, AP, AFP)

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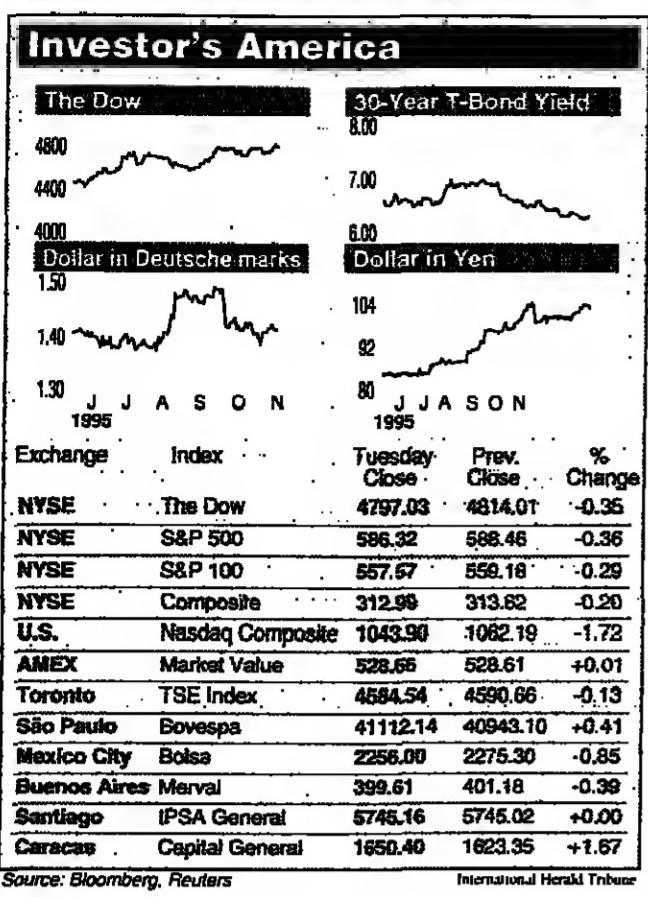
CURRENCY & INTEREST RATES

Cross Rates

Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
Amsterdam	1.955	E. D.M.	1.173	D.D.G.	0.955	—	5.449	U.S. D.L.	1.501*	S.F.	1.209*	Yen	1.209*	Sw.	1.209*
Brisbane	2.110	Greek drach.	2.517	Hong Kong \$	0.934	—	4.625*	I. 2.713	1.209*	U.S. D.L.	2.145*	Sw.	2.145*	Yen	2.145*
Buenos Aires	1.628	—	—	—	—	—	—	—	—	—	—	—	—	—	—
London (1)	1.279	—	2.287	—	—	—	2.597	—	1.209*	—	16.049	2.149*	22.715	—	—
Madrid	1.255	—	1.764	—	—	—	2.627	—	1.209*	—	18.047	2.149*	22.715	—	—
New York (1)	1.151	—	1.454	—	—	—	1.875	—	1.209*	—	18.047	2.149*	22.715	—	—
Paris	1.220	—	1.215	—	—	—	1.875	—	1.209*	—	17.643	2.149*	22.715	—	—
Tokyo	1.238	—	1.261	—	—	—	1.875	—	1.209*	—	17.643	2.149*	22.715	—	—
Toronto	1.173	—	1.294	—	—	—	1.875	—	1.209*	—	17.643	2.149*	22.715	—	—
U.S.D.	1.071	—	1.051	—	—	—	1.000	—	1.209*	—	17.643	2.149*	22.715	—	—
Zurich	1.225	—	1.252	—	—	—	1.875	—	1.209*	—	17.643	2.149*	22.715	—	—

Calculated in Amsterdam, London, Milan, New York, Paris and Zurich. Figures in other centers.

THE AMERICAS



International Herald Tribune

Very briefly:

Increase in U.S. Productivity Slows

WASHINGTON (AP) — Productivity in the American workplace rose at an annual rate of 2 percent during the third quarter, the government said Tuesday, less than half the gain three months earlier.

The Labor Department said that nonfarm productivity — defined as output per number of hours worked — slowed from a revised 4.9 percent annual advance during the April-June period. The figures are adjusted for seasonal variations.

Productivity is a key measure of living standards and business competitiveness in the United States. Increases mean companies are making their goods more efficiently.

Donaldson, Lufkin & Jenrette Inc. earned a net \$42 million in the third quarter; a comparable figure was not available because it was the brokerage concern's first quarterly earnings report since being spun off from Equitable Cos.

Turner Broadcasting System Inc. had a third-quarter net profit of \$39.8 million, reversing a loss of \$4.6 million a year ago.

Rockefeller Group Inc. will file a stand-alone plan for reorganization rather than seek more time to work out a joint plan with Rockefeller Center Properties Inc.

U.S. Enrichment Corp., the world's largest uranium producer, is up for sale for about \$2 billion. Morgan Stanley & Co., Goldman, Sachs & Co., Merrill Lynch & Co., Lehman Brothers Inc. and CS First Boston are competing to arrange what would be the second-largest initial public offering of a U.S. company.

(Reuters, Bloomberg, Knight-Ridder)

Consolidation: Now All the Rage

By Floyd Norris
New York Times Service

NEW YORK — In the current merger boom, the prevailing strategy is to buy what you know.

Staying in your own business, if not in your own neighborhood, makes it easier to justify the purchase price with promises of better management and ruthless cost-cutting.

The big question confronting shareholders of the acquiring companies, therefore, is whether those savings are real.

The blizzard of acquisition agreements announced Monday fit this pattern. The industries ranged from cookies to paint, from electricity to paper, from banking to surgical devices. But what they had in common was that the would-be acquirer was not venturing far afield in terms of business line.

The pitch in such deals is not that the buyer is getting a wonderful new business with great growth prospects. It is that com-

bination will yield savings in reduced administrative expenses, marketing costs or something. Even as management assure shareholders that they will benefit, they are telling workers that many of them will not.

In previous merger booms, Wall Street counseled that diversification was good — in part because it provided a hedge against cyclical forces that could affect profit at one part of a diversified company.

Now the Street heartily supports the trend toward consolidation. It has applauded such moves as Sears Roebuck & Co.'s spin-offs of Allstate Corp. and plans by Dean Witter, Discover & Co. and IIT Corp. to divide into parts. RJR Nabisco Inc. is being pressed to spin off its food businesses — operations R.J. Reynolds Tobacco Co. once bought as a hedge against possible problems in the tobacco business.

The moves toward consolidation are possible in part because antitrust regulators are less likely to intervene than they once were, having become convinced that it is often international competition that counts,

not competition within a local market. It also helps that credit is now easy for many companies, which can either borrow money at good rates or sell stock at high prices to finance takeovers.

All this has combined for a record year in mergers and acquisitions. The 1994 high of \$347.1 billion was surpassed last week. With the announcements Monday, the total is about \$363 billion, according to Securities Data Co., after adjusting for double counting, including the two \$10 billion offers for First Interstate Bancorp.

It is in banking, an area where the government agrees that fewer players would be a good idea, that the most interesting of Monday's deals came. That was an agreement by the boards of both institutions that First Bank System Inc. would acquire First Interstate. But that deal is also the least likely to be consummated.

The plan is questionable because it involves First Interstate turning its back on an offer by Wells Fargo & Co. that the market has deemed to be better.

Profit Warnings Drag Down Stocks

Compiled by the Staff from Dispatches

NEW YORK — Stocks fell Tuesday after a weak earnings forecast from a semiconductor maker triggered fears that the rally in technology issues that had been driving the broader market could lose steam.

"Over the next few weeks, there will be some additional weakness in technology," said

U.S. STOCKS

Ricky Harrington, analyst at Interstate/Johnson Lane Inc. "They've had a long run, and many are not as strong as they were 60 days ago."

Among other issues, Value Health fell 2½ to 23 after it reported a loss for the third quarter and first nine months of the year, which it attributed to charges for expenses relating to its merger with Diagnostek.

Other health-maintenance stocks also lost ground. Oxford Health Plans fell 1½ to 69½ after it reported third-quarter earnings that were below analysts' expectations. Healthsource slipped ¾ to 55 1/8 despite a buy recommendation from Smith Barney.

Kmart fell ¾ to 81/4 after Standard & Poor's Corp. said it was considering lowering the retailer's long-term debt rating to junk-bond status.

An initial public offering from Pete's Brewing, the specialty brewer of Pete's Wicked brand beers, met with a strong response. The offering of 3 million shares was priced at 18 and closed at 25 1/4 after its debut session.

"People have to be sensitive that is the way the cycle ends."

Further pressure came when Rick Whittington, an analyst at SoundView Financial Group, lowered his opinion and earnings estimates on five semiconductor equipment companies, saying orders for equipment were "unsustainable."

Applied Materials fell ¾ to 48¾. Megatek lost 3½ to 26½. Teradyne dropped ¼ to 29¾. Lam Research plunged 9 to 56, and Credence Systems lost 2½ to 34½ after the downgrade.

Merrill Lynch also lowered ratings on several semiconduc-

tors, citing declining orders.

Micron Technology was the most actively traded issue on the Big Board, falling 3½ to 66½. Intel lost 4 7/16 to 66½.

"Over the next few weeks,

there will be some additional

weakness in technology," said

Iacocca Sues Chrysler Over Stock Options

By James Bennett
New York Times Service

DETROIT — Lee Iacocca has sued Chrysler Corp., asserting that the company he led back from the brink of bankruptcy was illegally keeping him from exercising his options to buy stock.

The lawsuit, over options worth about \$4 million, is the latest in a series of accusations of betrayal and bad faith be-

tween Mr. Iacocca and Chrysler.

After Mr. Iacocca joined the financier Kirk Kerkorian in a failed buyout attempt of Chrysler last spring, the automaker's board blocked Mr. Iacocca from exercising his options in July, saying he had violated terms of the stock option plan by working with Mr. Kerkorian.

The board's decision, like Monday's suit, covered 112,500 options that were granted in 1985 and that expired Monday.

But both also appear to apply to an additional 1.6 million options owned by Mr. Iacocca that expire by Dec. 31, 1997.

Mr. Iacocca, who joined Chrysler in 1978 and served as chairman and chief executive from 1979 until he retired in 1992, received most of his compensation in the form of stock options, according to the lawsuit. Under a complex agreement with Mr. Kerkorian, however, Mr. Iacocca is assured of receiving at least the value of his options.

French Cabinet Shift Helps Lift Dollar

Bloomberg Business News

NEW YORK — The dollar rose against the Deutsche mark and other European currencies Tuesday as the replacement of French Prime Minister Alain Juppé's cabinet boosted the franc against the mark.

The cabinet shake-up stimulated investor expectations that the government of President Jacques Chirac would stick to its original pledge to cut spending in a move to rein in the budget deficit.

"Juppé and Chirac have dropped the idea that they can create jobs at the same time they cut spending," said Ken Nixon, currency adviser at Bank of Montreal/Harris Bank in New York.

The changes, which left Finance Minister Jean Arthuis in place, helped drive the

market down to 3,446.1 francs from 3,462 francs on Monday.

When the mark falls against European currencies, as on Tuesday, it typically depreciates against the dollar too, as speculators seek the chance to sell marks.

The dollar closed Tuesday at 1.4164 DM, up from 1.4130 DM on Monday, and at 103.015 yen, down from 103.350 yen. It slipped to 4,8825 French francs from 4,8915 francs.

The U.S. currency also benefited from a news report that Russian President Boris N. Yeltsin's heart problems were more serious than previously reported. Political turmoil in Russia often hinders the mark because of the close ties between the two countries.

But the dollar was also held back by the stalemate between President Bill Clinton and the Republican-controlled Congress in negotiations to cut the budget deficit, market participants said.

Against other major currencies, the dollar rose to 1.1390 Swiss francs from 1.1375 francs, while the pound rose to \$1.5810 from \$1.5803.

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The U.S. currency also benefited from a news report that Russian President Boris N. Yeltsin's heart problems were more serious than previously reported. Political turmoil in Russia often hinders the mark because of the close ties between the two countries.

But the dollar was also held back by the stalemate between President Bill Clinton and the Republican-controlled Congress in negotiations to cut the budget deficit, market participants said.

Against other major currencies, the dollar rose to 1.1390 Swiss francs from 1.1375 francs, while the pound rose to \$1.5810 from \$1.5803.

Merrill Lynch also lowered ratings on several semiconduc-

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Micron Technology was the most actively traded issue on the Big Board, falling 3½ to 66½.

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FOREIGN EXCHANGE

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San Paolo to Sell Its Ambrosiano Veneto Holding

Bloomberg Business News

MILAN — Istituto Bancario San Paolo di Torino SpA said Tuesday it would sell its stake in Banca Ambrosiano Veneto SpA for 675 billion lire (\$424 million) in a move analysts viewed as a signal the bank would expand its investment banking activities.

San Paolo's 19.4 percent stake will be acquired by members of Ambrosiano Veneto's controlling shareholder syndicate: France's Crédit Agricole SA, the Italian insurer Alleanza Assicurazioni SpA and Gruppo Lombardo Veneto, a consortium of northeastern Italian banks.

San Paolo said it would record a one-time gain over book value of 234 billion lire from the cash sale of the bank, which is strong in retail banking and small business lending in northeastern Italy.

The transaction at 7,000 lire a share will take place by Dec. 15, the bank said.

"I think the money will be used to develop San Paolo's merchant banking activities," said Anthony Minnara, banking analyst at Milla & Co. in Milan. "I don't think they will go out and buy a Banco di Napoli or something, but they

could increase their holdings in other companies."

Analysts said they did not expect any major acquisitions soon by San Paolo, which vies with Cariplo SpA and Banca di Roma SpA to be Italy's largest bank. They said San Paolo would initially use the money to bolster its balance sheet.

"A lot of the money could get eaten up by the restructuring that San Paolo already has under way," said Francesco Ricciulli, an analyst at Pasfin Securities.

San Paolo recently has incorporated many subsidiaries, such as Credipol, the unit that held the Ambrosiano Veneto stake, and is trying to reduce bad loans.

Some of the money could end up as investments in other financial institutions or to help out its own corporate finance activities, analysts said.

"The bank has made it clear it wants to boost its merchant banking activities," said Alessandro Roccati, an analyst at Atinvest Ltd.

"It wants a larger international presence and to be able to offer a wider range of products for its corporate clients."

Growth Stalls In Germany

Bloomberg Business News

NUREMBERG — The unemployment rate was unchanged at 9.2 percent in October as a slowing economy held down job creation, the Federal Labor Office said Tuesday.

The office said weaker economic growth in Western Germany and the inability of Eastern Germany to generate jobs without government subsidies had restrained new hiring.

The Western German jobless rate was unchanged at 8.1 percent, while the Eastern German rate was steady at 13.8 percent.

Compiled by Our Staff From Dispatches

LEVERKUSEN, Germany — Bayer AG said Tuesday its third-quarter pretax profit rose 44 percent and that a dividend increase was in sight, even as the chief executive predicted earnings may begin to fall.

Germany's second-largest chemical maker said third-quarter profit jumped to 906 million Deutsche marks (\$642 million), lifting nine-month pretax profit to 3.3 billion DM from 2.38 billion DM a year earlier.

The company said the strong mark cut its earnings by 500 million DM in the first nine months.

Sales in the quarter rose 2 percent, to 10.84 billion DM, bringing the nine-month total to 34.03 billion DM, up 4 percent.

Manfred Schneider, chief executive of Bayer, said that while full-year pretax profit could match the record of 4.1 billion DM, set

Pechiney Sale Advances But France May Be Forced to Sell Low

By Max Berley
Special to the International Herald Tribune

PARIS — The state-owned aluminum and packaging giant Pechiney SA will probably be privatized before the end of the month after this week's approval of the plan, but analysts warn that market conditions may force the cash-strapped French government to sell the company at bargain-basement prices.

The sale of Pechiney would be the last privatization undertaken by the government this year and could yield 7 billion francs (\$1.43 billion) in revenue. When added to the 16.5 billion francs generated by the privatizations of the steelmaker Usinor-Sacilor SA and the tobacco company Seita, however, the state will have fallen far short of its goal of 40 billion francs in privatization revenue for the full year.

Pechiney's private shareholders set the privatization process in motion late Monday by approving resolutions that would allow the company to convert nonvoting certificates into B shares in the newly privatized company. The shareholders currently hold 24.6 percent of the company's stock through the certificates.

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The move opened the way for the government to launch the sale of Pechiney by the end of the year and probably before the end of November, analysts said.

But another analyst said the low price might be a selling point.

"People will be attracted by the fact that the share is at an historical low," he said.

Pechiney also may be in a hurry to go on the market because of uncertainty about earnings prospects for 1996, he said. Aluminum sales, which represent 25 percent of Pechiney's revenue, may continue to drop as they have since July, after rising significantly in 1994.

Analysts said going ahead with the sale would show that France was serious about getting a higher price.

The decision, though, ultimately rests with Finance Minister Jean Arthuis, who must decide whether to wait for market conditions to improve or to proceed with the sale to bring in some badly needed revenue.

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Pechiney investment certificates are currently trading at about 259 francs, down nearly 28 percent from the beginning of the year. Their current trading price, analysts say, would probably serve as a basis upon which to determine the share's initial offering price.

"The share is languishing, and there is very little appetite for cyclical stocks," a Paris-based analyst said.

He pointed to the poor performance of shares in Usinor as evidence that the public was less enamored of state share offerings.

Since their initial public offering in mid-July, Usinor shares have dropped 18 percent, closing Tuesday at 70.85 francs.

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Bayer Says Dividend Increase Is Likely

Compiled by Our Staff From Dispatches

LEVERKUSEN, Germany — Bayer AG said Tuesday its third-quarter pretax profit rose 44 percent and that a dividend increase was in sight, even as the chief executive predicted earnings may begin to fall.

Mr. Schneider said a dividend increase still made sense. Shareholders received 13 DM a share last year.

"It's not unrealistic to assume that 14 marks could be another figure for this year," he said.

Earnings at Bayer's subsidiaries in Germany rose 7.2 percent in the nine-month period, to 1.89 billion DM, leading the overall profit growth. Overseas operations contributed 1.45 billion DM to the nine-month result, up 11 percent.

Among product groups, health care suffered most from the effects of the strong mark, with sales staying flat at 8.4 billion DM in the first nine months but rising 10 percent in local currencies.

Polymers reported the strongest growth, with sales rising 12 percent, to 6.2 billion DM.

in 1989, earnings were not likely to exceed that level this year or next.

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Fibers remained the only unprofitable sector, with Mr. Schneider blaming steep increases in raw material prices that could not be passed on to consumers because of competitive pressures.

(Bloomberg, AFP, Reuters)

Sales of Losed Lift Astra Profit

Astra AB said its nine-month pretax profit rose 26 percent, to 9.12 billion kronor (\$1.4 billion), although sales and profit slowed in the third quarter, Reuters reported from Stockholm.

Sales in the nine-month period rose 33 percent, to 26.68 billion kronor, fueled by sales of the ulcer drug Losed. But sales in the third quarter fell to 8.5 billion kronor from 8.65 billion kronor in the year-earlier period.

The company said the fluctuations had been caused mainly by changes in wholesale inventories.

Fibers remained the only unprofitable

sector, with Mr. Schneider blaming steep

increases in raw material prices that could

not be passed on to consumers because of

competitive pressures.

(Bloomberg, AFP, Reuters)

Chemicals Help BP Profit in 3d Quarter

Compiled by Our Staff From Dispatches

LONDON — British Petroleum Co. said Tuesday that surging chemical profits and reduced costs had helped it report better-than-expected earnings for the third quarter.

On a replacement-cost basis, which strips out gains or losses on inventory, the company posted net profit of \$283 million (\$447 million), compared with \$409 million a year earlier.

Excluding exceptional items, BP said profit rose 28 percent to \$532 million, from \$415 million, a year earlier.

The move resulted in an after-tax charge of \$244 million, the company said, reflecting British Petroleum's environmental liabilities and a write-down of the refinery's value.

BP said its profit at its chemical business soared to \$225 million.

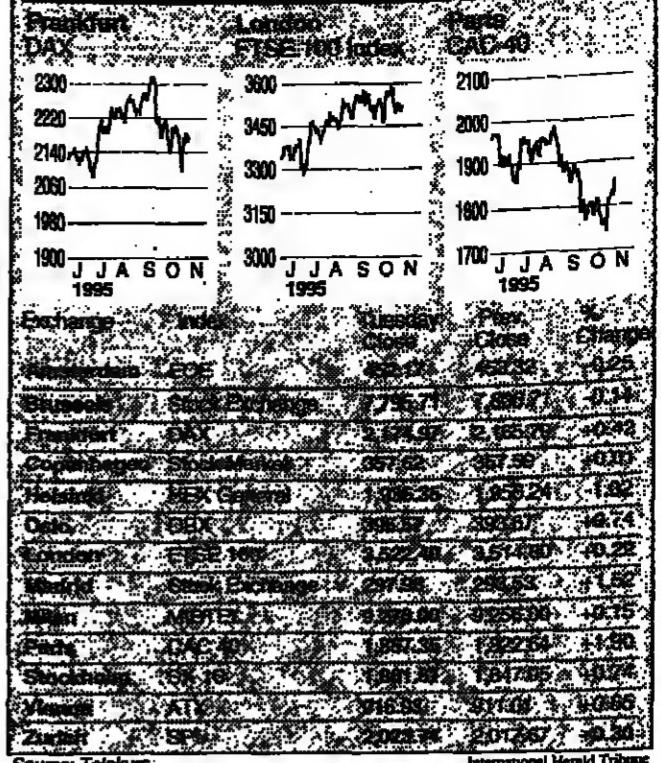
Howard Cattermole, an analyst with James Capel & Co., said the figures were "pretty good all around," and significantly higher than most analysts had forecast.

BP said its profit at its chemical business soared to \$225 million.

Although oil prices fell compared with a year earlier, BP said profit from oil and natural gas production rose as the company cut operating costs. The production unit earned \$527 million, compared with \$499 million.

(Bloomberg, AFX)

Investor's Europe



Very briefly:

- Swiss Bank Corp. Chief Executive Georges Blum will become chairman in May when Walter Frehner resigns that post. Marcel Ospel, head of SBC Warburg, will succeed Mr. Blum.

- Marks & Spencer PLC reported a 9 percent rise in first-half pretax profit, to £385.4 million (\$608.9 million) on strong food and home-furnishings sales.

- British Sky Broadcasting PLC's first-quarter earnings doubled to £50.8 million, helped by the recent launch of the Disney channel and its strong coverage of British sports.

- European Union industry ministers agreed to extend rules allowing governments to subsidize shipyards until October 1996 from the end of this year.

- Germany's engineering employers' lobbying group, Gesamtmetall, said Hans-Joachim Gottscholz would step down as president when his term ended next summer.

- France Telecom's mobile operations will break even in 1997 after a loss of 800 million francs (\$163.5 million) last year. The state-owned telephone company also expects a smaller loss in 1995 and 1996.

Bloomberg, Reuters, Knight-Ridder

Britain Approves Lyonnaise Bid

Reuters

LONDON — The British government Tuesday approved Lyonnaise des Eaux's proposed takeover of Northumbrian Water PLC, subject to price controls that the French company has accepted.

The producer of food and liquor said profit for the year to August fell to £494 million from £628 million. Before exceptional items, profit remained stable at £635 million as sales rose 8 percent, to 6.05 billion.

Northumbrian shares closed at £10.74 (\$16.97), up 66 pence, on the government's approval.

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Tuesday's 4 p.m. Close
Nationwide prices, not reflecting late trades elsewhere.
The Associated Press

Nationwide prices, not reflecting late trades elsewhere.

12 Month High	Low	Stock	The Associated Press								
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THE WORLD'S DAILY NEWSPAPER

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Continued on Page 21

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Cost-Cutting Lifts Nippon Steel Back To Profitability

Compiled by Our Staff From Dispatches

TOKYO — Nippon Steel Corp., Japan's largest steelmaker, said Tuesday it turned a profit in the first half despite a slow economy, thanks to staff cuts, higher export prices and cost-cutting.

The steel giant said its current, or pretax profit came to 29.3 billion yen (\$28 million) for the six months through September, reversing a 28 billion yen loss in the year-earlier period. Sales edged up 0.6 percent, to 972.61 billion yen from 966.51 billion yen.

"We're right on schedule in our three-year cost-cutting plan," said Toshi Miki, the company's vice president.

The company said it expected profit to continue to grow for

the rest of the year, but it lowered its full-year profit forecast to 70 billion yen from 80 billion yen. The company posted a full-year profit of 11.21 billion yen in 1994-95.

"Taking the current situation of the Japanese economy and inventories of steel products into account, we had to reconsider our business target," Mr. Miki said.

Consumer spending is still weak, and steel inventories are rising at steelmakers and their customers, he said. As a result, domestic steel prices have dropped.

"We need to decisively cut output in the second half of this business year to reduce inventories and raise steel prices in Japan," Mr. Miki said.

He said total crude steel output in Japan in 1995-96 would be between 99.3 million and 99.7 million metric tons, down from 101.4 million metric tons the previous year.

Mr. Miki said export prices in dollar terms were at their highest levels ever, and he said steelmakers had to think of ways to prevent them from falling.

"Although the Asian economy is still strong, there is a large flow of imports from Russia and other parts of the world into Asia," he said. "We think a fall in export prices will be unavoidable, but we need to think how to minimize the drop."

The company said its cost-cutting program would save it about 240 billion yen by March 1996. Much of the cost-cutting has come by slashing the work force by 7,600 over the past 18 months, bringing the total number of employees to 41,800.

The company said it planned to cut more jobs, but it would not say how many.

To cover part of the 31.05 billion yen paid in early retirement costs, the company sold about 19.02 billion yen in securities. The company plans to offset further retirement costs this way. (Bloomberg, Reuters)

NTT Plan For Cuts Reported

Knight-Ridder

TOKYO — Nippon Telegraph & Telephone Corp. plans to slash 50,000 from its work force over a period of about five years and to reduce the maximum rates for long-distance telephone calls as part of a drastic restructuring program, company officials said Tuesday, according to the Kyodo News Service.

The number of the employees will be cut to about 150,000 from 197,000, and maximum telephone rates will be trimmed gradually to 100 yen for every three minutes from 180 yen by 2000, they said. The program is to be set by the end of 1996.

BOOKS: Changing Roles

Continued from Page 13

be changed in a phone call. For Mr. Gernert, Mr. Grisham offers big earning potential. Mr. Grisham has sold more than 50 million books. According to Forbes magazine, he earned \$29 million in the last two years. Most literary agents take 10 to 15 percent of their authors' advances and royalties.

But for Bantam Doubleday Dell, as for any publisher that might find itself in a similar position, the benefits of such a deal are less clear.

Stuart Applebaum, a spokesman for the company, said the deal "is felicitous and rewarding for all."

Still, with Mr. Gernert doing the editing, the sexiest part of publishing, the magic of turning a frog manuscript into a princely book, is gone. Bantam Doubleday Dell's job is now noneditorial: designing the dust jacket, printing the book, marketing.

Whether the publisher can hold on to Mr. Grisham after these two books are finished is also a question mark.

Mr. Gernert said he had no plans to abandon Doubleday and Dell, the divisions that publish Mr. Grisham in hard cover and paperback.

But without Mr. Gernert on the staff, the tie that bound publisher to author is on longer a knot but a bow.

Microsoft Hires Top 'Content' Editor

By Steve Lohr
New York Times Service

Microsoft won out over Time Warner Inc., which also held discussions with Mr. Kinsley.

"Microsoft is really competing for top-flight editorial talent," said Norman Pearlstein, editor in chief of Time Inc. "Microsoft is truly interested in acquiring content."

Mr. Kinsley, 44, said many of the details of the planned electronic magazine had yet to be worked out, including when it would be started. The magazine is to be distributed over the Internet's World Wide Web and on the Microsoft Network, the software maker's on-line service begun late in August.

"The idea is to create some serious journalism on the Web for people who are not Web fans," Mr. Kinsley said.

Mr. Kinsley is probably the best-known journalist to have crossed over from traditional print and broadcast media to the nascent medium of computer networks. He will end his six-year run on "Crossfire" at the end of this month and move from Washington to the Seattle area, where Microsoft is based. He says the new magazine, as yet unnamed, will have a small staff of "probably a dozen people or fewer."

By hiring Mr. Kinsley, Microsoft has shown how interested it is in investing to create information and entertainment for computer networks — and not just in producing software.

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THE WORLD'S DAILY NEWSPAPER

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INTERNATIONAL

Zanzibar Dreams of a Transformation From Spice Island to Economic Power

By Donatella Lorch
New York Times Service

ZANZIBAR, Tanzania — It may still look like nothing more than a palm- and mangrove-lined bay lapped by cobalt-blue waters.

Yet on paper, the southern end of this legendary spice island is ready to transform this sleepy, impoverished land into

a world economic center.

The plans could make the island of Zanzibar into a Hong Kong or Singapore, officials here say. By 1998, Zanzibari officials say, they expect investments of more than \$1 billion, a new port, new roads, new warehouses, two new luxury hotels, two new golf courses and more than 80,000 new jobs.

These are impressive invest-

ments for one of the world's poorest areas.

But many residents say the new investments are illusory when they look around and see that the road to Fumba Bay is still rutted and their heart opposition politicians point out that the architectural plans for the new port have not yet been presented to the government.

"There are a lot of dream

projects in Zanzibar," said Ali Said, a businessman and supporter of the opposition.

The investments, described as the first steps toward a "full-scale free economic zone," were recently described with pride by Zanzibar's government, eager to show that it had finally gone past Tanzania's 31 years of socialist dogma.

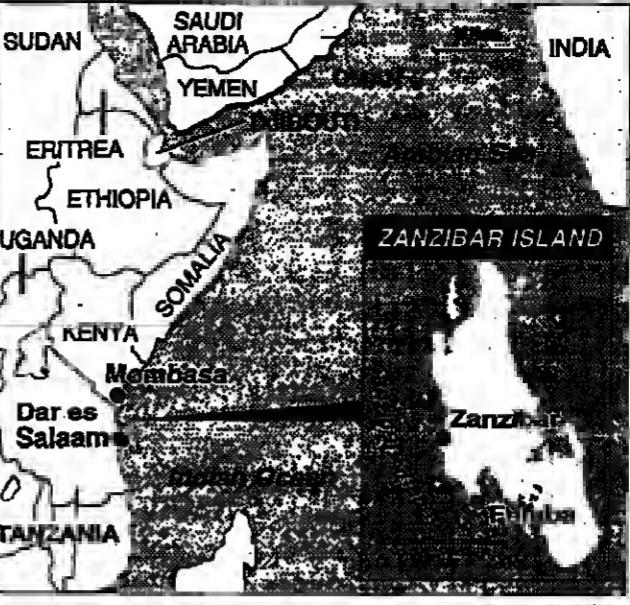
"The government of Zanzibar under the dynamic leadership of H.E. President Dr. Salmin Amour has embarked on the path of economic liberalization," reads its introduction on new investments.

Though at loggerheads with many of the party's policies, the opposition Civic United Front agrees that Zanzibar's future lies in revitalizing the economy but points out that the recent plans appear too ambitious and far from concrete.

It is not that investment is not already changing the island of Zanzibar, part of the United Republic of Tanzania that with the island of Pemba has a population of about 700,000 and a separate president and Parliament. The islands were once East Africa's main trading partner and the largest growers of cloves in the world.

But the fall of clove prices and three decades of Tanzanian socialism dragged Pemba and Unguja into poverty.

The islands have belonged to traders since as early as the



floated. Last year, about 90,000 tourists visited the islands.

Trade has flourished. Electronic goods from Dubai and cloth from South Asia are much cheaper here than in the Kenyan port of Mombasa or in the Tanzanian capital, Dar es Salaam.

The government recently signed a three-year, \$67 million telecommunications project to make Zanzibar independent of Tanzania in telecommunications.

The scale of such development, however, is creating fears that the island will ultimately suffer, losing its culture without gaining any wealth.

"All the problems of a bigger place will happen unless Zanzibar has a vested interest in the investments and the money earned is reinvested in schools and clinics among other things," said Emerson Skeens, a New Yorker who moved to Zanzibar seven years ago and has invested in several guest houses and a restaurant.

ninth century, when Zanzibar became the trade link between Africa and the Arab world.

As in the past, the gleam of potential riches continues to entice the islands. Since 1990, as Tanzania adopted a policy of economic liberalization, Zanzibar has slowly changed. Small hotels and guest houses have

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24/24 HOURS DESK SEE CNN-TEXT PAGE 695

By William Glaberson
New York Times Service

PHILADELPHIA — A recent morning: Robert J. Hall, publisher of Knight-Ridder Inc.'s two Philadelphia daily newspapers, is discussing his latest cost-cutting plan with a visiting reporter. Reporters will no longer be able to call directory assistance, he says.

Two hours later: Maxwell E.P. King, editor of The Philadelphia Inquirer, the respected broadsheet, said, "We're not cutting directory assistance for reporters."

Several days later: Zachary Stalberg, editor of The Philadelphia Daily News, a scrappy tabloid, says yes, the papers are cutting directory assistance for many reporters.

"The publisher insists," he says.

This little melodrama of confusion and discord was not fictional. In one way or another, it is happening at most large American newspapers, as publishers and editors struggle with the intense pressures of rising costs for newsprint, pressure for profits and, often, declining circulation.

As a result of a corporate mandate to nearly double profits at the two newspapers, 230 to 250 of 3,300 jobs are to be lost at the Philadelphia newspapers, mostly through

buyouts and attrition, and sections of the papers are to be closed or printed less frequently.

Among newspaper people in Philadelphia recently, there has been a marathon of open debate that is expected to reach a climax Thursday, when the leaders of the two papers are due in Miami for a budget review at Knight-Ridder's headquarters.

Many newspaper people here say the meeting may be a watershed for Knight-Ridder, one of the largest U.S. newspaper companies, which also runs 26 other dailies.

"It's a simple question really," said Robert J. Rosenthal, an associate managing editor at The Inquirer. "Do the people who are making these decisions believe publishing a quality newspaper over time is a good business strategy, or do they believe an inferior newspaper will make as much money?"

People involved in planning the cuts said Knight-Ridder had never before seemed as willing to make the biggest cut of all: to consider killing The Philadelphia Daily News. Mr. Hall has expressly declined to rule out closing the paper.

P. Anthony Ridder, Knight-Ridder's chief executive, has indicated that he is

determined to raise profit in Philadelphia.

Several cost-cutting offerings have already been agreed upon. Both Philadelphia papers are to lose features and staff, and The Inquirer will retreat from a strategy that took years to implement: publishing separate zoned sections for the suburbs.

The debate here began this summer, when Mr. Hall let it be known that he was under orders from his corporate chiefs in Miami to get profit up — fast. The papers' operating profit margin of about 8 percent, on revenue of about \$455 million, was no longer acceptable, Mr. Hall told staff members.

Next year, Mr. Hall must hit a profit margin of 12 percent, people at the papers said, and the year after that 15 percent.

Among the top newspaper executives in Philadelphia, the message from Miami was clear, several of them said.

If Mr. Hall and his aides do not meet the corporate goals, one member of the paper's management group said, there was a clear "or else" from Miami.

The manager, who requested anonymity, said, "Everybody's assuming the 'or else' would be, 'We'll step in, either with the current people or with new people, and we'll make suggestions.'



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Tuesday's 4 p.m.
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The Nasdaq 1000

The Associated Press

NYSE

Tuesday's 4 p.m. Close
(Continued)

SPORTS

Smith and Dallas Run Over Eagles

The Associated Press
IRVING, Texas — Emmitt Smith made one mistake, then did what he always does against the Philadelphia Eagles — run over them.

Smith, who has averaged 146 yards in his last six games against the Eagles, rushed for 158 yards and scored two touchdowns Monday night, sending Dallas past its National Football Conference East rivals, 34-12, and giving the Cowboys a three-game lead in the division.

Dallas (8-1) tied Kansas City for the league's best record, and beat the Eagles for the seventh consecutive time.

Philadelphia jumped ahead, 3-0, on a 36-yard field goal by Gary Anderson after a rare fumble by Smith was recovered by an Eagles' cornerback, Mark McMillian, at Dallas 22 on the second play of the game.

Smith more than made up for the gaffe. Running behind the blocking of fullback Daryl Johnston, he scored on runs of 39 and 3 yards against the second-best run defense in the NFL.

He went over 1,000 yards for the fifth consecutive season and is now at 1,137. In 11 games against the Eagles, Smith has run for 1,244 yards.

"I have no earthly idea why I have good games against the Eagles," Smith said. "When I came into the league they were beating up on us and nobody wanted to talk to me then."

"It's always a challenge to play against them. They always have a top-ranked defense. But why do I do so well against them? I can't put a finger on it."

His second touchdown came in the third quarter and gave the Cowboys a 24-12 lead.

The Eagles had won four consecutive games with Rodney Peete as the starter. Peete, who played for Dallas last year and defeated Philadelphia in his only start, had just pumped some life into the Eagles with a

25-yard pass to Charley Williams that set up a two-yard touchdown run by Ricky Watters, making it 17-12. The Eagles missed a two-point conversion.

Troy Aikman hit Irvin with a 38-yard pass and Smith finished the drive off with runs of eight, three, four and three yards. Aikman, the leading passer in the NFL, completed 17 of 24 passes for 202 yards.

Irvin tied an NFL record with his seventh consecutive 100-yard game. Charley Hennigan and Bill Groman, both of Houston, set the record in 1961. Irvin caught 8 passes for 115 yards and a touchdown.

Any hopes of an Eagle comeback faded when cornerback Larry Brown scored his first career touchdown with a 20-yard interception return with 4:28 to play.

Smith, Aikman, and Irvin parlayed their skills into a 17-6 halftime lead for the Cowboys.

Deion Sanders had an interception, an open-field tackle and a 43-yard punt return even though he was hampered by a sore hamstring. The punt return started with a reverse handoff from Kevin Williams. Sanders dipped and dodged three Eagles tacklers before he was brought down.

■ Jones Sues NFL
Timothy W. Smith of The New York Times reported from Irving, Texas:

Jerry Jones, the Cowboys' owner, used the national spotlight of his team's "Monday Night Football" game in Irving to fire back at the National Football League.

He announced that he had filed a \$750 million lawsuit in U.S. District Court in New York against the league Monday, charging that NFL Properties is an illegal cartel and seeking to have it dissolved as the exclusive licensing and marketing agent for all 30 teams.

The lawsuit seeks \$200 million in damages, which would be trebled because it is an antitrust lawsuit, and \$150 million in punitive damages on grounds that the league has engaged in an "unlawful campaign of harassment and intimidation" against the Cowboys.

The league sued Jones and the Cowboys for \$300 million in September after Jones signed marketing agreements with Pepsi and Nike for Texas Stadium outside of NFL Properties.

Jones will have his lawsuit served on all the team owners at their meeting in Dallas on Tuesday morning.

"It would have been very naive on their part if they thought they could slap me and I wouldn't swing hard and hit them back," Jones said at a news conference in an abandoned locker room at Texas Stadium a couple of hours before his team took the field against the Eagles.

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SPORTS

WORLD ROUNDUP



Lou Piniella, arguing with umpire Terry Craft, won AL award.

Piniella Wins Award

BASKETBALL Lou Piniella, who guided the Seattle Mariners to their first post-season appearance, was voted AL Manager of the Year.

Piniella received nine first-place votes in balloting by the Baseball Writers Association of America. Boston's Kevin Kennedy was second and Cleveland's Mike Hargrove third.

Strickland Arrested

BASKETBALL Portland guard Rod Strickland was arrested Monday for allegedly punching a woman in the face at her Bronx home. Strickland surrendered at a police station where Judith Cruz had filed a criminal complaint. Early reports said Cruz was his girlfriend. "Let's get this straight. She's not a girlfriend or ex-girlfriend," Strickland said. He was charged with misdemeanor assault and released.

(AP)

McGriff Joins Free Agents

BASKETBALL Fred McGriff and Eddie Murray, who led their teams to pennants last season, are among 13 players who filed for free agency Monday.

McGriff had a \$4.25 million salary last season with the Atlanta Braves, and Murray had a \$3 million deal with Cleveland.

(AP)

King Says He Was Busy

BOKING Promoter Don King blamed his accountant for making up \$350,000 in expenses to cheat Lloyd's of London after a 1991 bout was canceled. King said he knew nothing about his company filing documents claiming that Julio Cesar Chávez was paid \$350,000 for training expenses that could not be recovered.

NBA May Add Mexico

BASKETBALL The NBA could add three franchises by the turn of the century, one possibly in Mexico City. Other possible additions include Anaheim, California; both Memphis and Nashville, Tennessee; Pittsburgh; St. Louis; and Tampa, Florida.

(AP)

Jordan's a Lottery Pick

BASKETBALL Michael Jordan repaid fans when his numbers came up in the Illinois State Lottery's Pick Four game. The winning pick was 23-45. The two numbers Jordan has won are 23 and 45.

"A lot of people were playing MJ's numbers, and we paid out the third highest amount ever for the Pick Four game," a lottery spokesman, Mike Lang, said Monday.

(AP)

The Laws of the Game Trip Up 49 Presidents

European Soccer Goes on Its Knees

By Rob Hughes
International Herald Tribune

The heads of all Europe's 49 national soccer associations have signed document pressing parliaments and legal institutions to rewrite the Treaty of Rome, establishing sports as a special case outside the work practices and safeguards that apply to ordinary people.

How perverse! How self-centered the presidents prove when their game, their trade, is threatened. Those

who govern soccer are applying for separate species certificates for players. They want abolition. They seek a get-out clause from Article 48 of the Treaty of Rome, even though it only covers 18 of the 49 unions — those from the 15 countries in the European Union.

They see it as a right for clubs to find, groom, and profit from selling human potential without EU constraints. The case put by UEFA, soccer's European authority, is that the law applied to sports will help the rich, destroy the modest, bury the poor.

UEFA's Armageddon theory runs thus: "Hundreds of young people, without facilities and without the dream of moving steadily up through the levels of football to the top will abandon the game and return to the streets, with all the social consequences that bring."

Such threats, born of panic among the soccer clubs, follow the opinion of Carl Otto Lenz, advocate-general to the European Court. Lenz considered the treatment of Jean-Marc Bosman by a Belgian RFC Liège, and the refusal of the Belgium Foot-

ball Association or UEFA to release him from the impasse preventing him moving after his contract expired, contravened EU law.

Bosman, an average player but a determined fighter, refused to be rubbed out by a system of transfer eliminated in other European countries 30 years ago, which is why the panic elsewhere is misplaced.

When the European Court rules in the New Year, it is unthinkable that Lenz's case will be ignored.

Now the soccer rulers, who did nothing to help Bosman when he was trapped by Belgium's feudal transfer rules, cry foul.

I quite see that many clubs will struggle, some may go under, in readjusting within the law.

Yet no one, not Lenz and not the European Community officials, advocates their downfall. Lenz demands the inquiry of demanding a fee for a player who is out of contract, but he says the trade of players in contract is in order, and a scheme of compensation for clubs that develop stars is desirable.

Cubs would have to adjust. They would have to plan ahead, to value a player's time and worth, and to persuade covered employees to stay, or sell them before their contracts expire.

That sounds like basic management. If it is ruthless, it is the law of the business jungle that affects the lawyer, the saddler, the candle stick maker.

"We have known about Bosman for years," claims Sam Hammam, the owner of the English Premier League club Wimbledon. "So we took care of contracts. The

senior players are on long term-contracts, average players on average contracts, and those players we can do without are on short-term contracts. We have sold very well and we are cash rich at the moment so if the transfer law changed we would become predators."

Wimbledon is a small club prospering in a big man's league. It sells to survive on attendances of 8,000, less than a quarter of games at Liverpool, Newcastle or Arsenal.

Since the 1960s, the law in Britain has allowed players to move where they pleased once contracts end. In France, soccer is even more liberal.

There have been no mass closures of clubs. French streets are full of young, disaffected soccer dropouts.

Nor is that the picture in Amsterdam, where Ajax makes such a profit — almost \$40 million last season — partly off of scouting the local playing fields, fostering childhood talent, selling when the time suits the club, the treasury, the boy.

However, with all this wealth, who are Ajax's heroes? Last weekend it was Nwankwo Kanu, a teenager from Nigeria, whose goal saved Ajax in a 1-1 tie against PSV Eindhoven that prevented the end of

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